Journal of Happiness Studies (2005) 00:1–19
DOI 10.1007/s10902-005-3651-y

PRACTICAL WISDOM: ARISTOTLE MEETS POSITIVE PSYCHOLOGY

ABSTRACT. The strengths and virtues identified by positive psychology are treated as logically independent, and it is recommended that people identify their "signature" strengths and cultivate them, because more of a strength is better [Peterson and Seligman: 2004, Character Strengths and Virtues: A Handbook and Classification (Oxford University Press, New York); Seligman: 2002, Authentic Happiness (Free Press, New York)]. The present paper contrasts that view with the Aristotelian view that virtues are interdependent, that happiness (*eudaimonia*) requires all the virtues, and that more of a virtue is not always better than less. We argue that practical wisdom is the master virtue essential to solving problems of specificity, relevance, and conflict that inevitably arise whenever character strengths must be translated into action in concrete situations. We also argue that practical wisdom is becoming increasingly difficult to nurture and display in modern society, so that attention must be paid to reshaping social institutions to encourage the use of practical wisdom rather than inhibiting it.

KEY WORDS: character strengths, positive psychology, practical wisdom, virtues

"WHAT GRADE DO I GIVE?"

Suppose you are grading term papers. You read one written by a student who is struggling to get a C in your course. It is decently written and coherently organized, and it has no major misunderstandings of key concepts. It is a B– paper, but it is by far the best work this student has done in your course. Next, you turn to one written by the smartest student in the class, someone who is effortlessly "acing" everything you throw her way. It is well written and clearly organized, and it demonstrates fine comprehension. A solid B+, perhaps even an A–. But it lacks spark. It is not very original. It does not go very far beyond what was said in class. This student could definitely have done a much better piece of work.

Journal : JOHS | Dispatch : 18-10-2005 | Pages : 19
CMS No. : DO00023651 | ☐ LE | ☐ TYPESET
MS Code : JOHS 309-SI | ☑ CP | ☑ DISK
PDF-OUTPUT

So what grades do you give? Do you give the grades the papers deserve in themselves, evaluating them as if you did not know who wrote them? Or do you give the grades they deserve, but encourage the C student about how good it was and admonish the A student about how disappointing it was? Is this enough recognition of individual difference, or should you go further, actually giving each student a grade based not only on the merits of the paper, but also on the relation of the paper's quality to each student's past work? What effect will each of these courses of action have on the students involved? Should grading be based only on the quality of the work or also on the effort expended? Which approach to grading is fairest? Which is kindest? Which is most effective? And which of these things should you be caring about?

"HOW DO I LOOK?"

You are keeping your best friend company as she gets dressed to go to a wedding. When she puts on her dress, which you have never seen before, you think it is extremely unflattering. "How do I look?" she says. What do you say? Do you tell her she looks great, or do you tell the truth? Many of us believe that real friendships must be based on complete honesty. If you cannot trust your friends, you cannot trust anyone, and you can't trust your friends unless you can count on them to tell you the truth. So this little problem seems like no problem at all. Telling your friend the truth would be doing her a favor. But beyond that, it is essential to preserving the foundations of the friendship.

Yes, but. As you are about to open your mouth to tell your friend to pick something else, a wave of considerations might come crashing over you. The wedding is in a few hours. Does she have an alternative? Do you know that she will look better in something else? Does she need to feel good about herself – to have her confidence bolstered – right now? Even if she has an alternative, what will it do to her confidence to hear that even though she thought she looked great, her best friend thought otherwise? Will it undermine her ability to judge how she looks in the future?

Journal : JOHS | Dispatch : 18-10-2005 | Pages : 19
CMS No. : DO00023651 | ☐ LE | ☐ TYPESET
MS Code : JOHS 309-SI | ☑ CP | ☑ DISK

You will ask yourself these questions, and answer them, before you say anything. And you will do it instantly, because if it takes you five minutes to respond to "how do I look?" as your friend pirouettes around the room, you will have given your answer long before you open your mouth. Somehow you will "know" what your friend needs right now, and how to provide it. And that is what you will do. Or at least, that is what you will do if you possess the virtue Aristotle called *phronesis*, or practical wisdom.

This paper is about practical wisdom. We will try to characterize it. We will suggest that it is in many respects the master virtue – the virtue without which other virtues or character strengths fail to produce effective action. We will contrast our approach with the very powerful approach to character and virtue that has grown out of positive psychology (Peterson and Seligman, 2004; Seligman, 2002). We will describe the social conditions needed to nurture practical wisdom and suggest that they grow more scarce by the day. And we will suggest that practical wisdom may be essential for satisfying work and successful relationships with friends, lovers, and family. Given the importance of satisfying work and good social relations to well being in general, we will conclude that practical wisdom may be essential to human happiness – a conclusion that may be surprising to a modern audience, but that Aristotle regarded as self-evident.

We acknowledge at the outset that other psychologists have made impressive contributions to our understanding of wisdom (e.g., Baltes and Smith, 1990; Baltes and Staudinger, 1993, 1998, 2000; Staudinger and Baltes, 1994, 1996; Sternberg, 1998). We have learned a good deal from these efforts to develop a psychology of wisdom, but our aims and our emphasis are somewhat different from those of these other investigators. We urge interested readers to consult this previous work, but we will discuss it no further in the limited space available to us.

THE POSITIVE PSYCHOLOGY OF STRENGTHS AND VIRTUES

Peterson and Seligman (2004) developed a list of 24 strengths organized under six virtues: wisdom and knowledge, courage,

Journal : JOHS | Dispatch : 18-10-2005 | Pages : 19
CMS No. : DO00023651 | ☐ LE | ☐ TYPESET
MS Code : JOHS 309-SI | ☑ CP | ☑ DISK

humanity and love, justice, temperance, transcendence. And the character strengths they organize include curiosity, open-mindedness, perspective, kindness and generosity, loyalty, duty, fairness, leadership, self-control, caution, humility, bravery, perseverance, honesty, gratitude, optimism, zest.

What is important to note about the classification for our purposes is that the virtues are treated as logically independent of each other, as are the strengths. Whether they are correlated is, of course, an empirical question, but there is no normative suggestion that they *should* be correlated – that they should *all* be nurtured – nor is there a claim that it is very difficult to exercise one strength effectively without many of the others. For example, honesty is a strength whether or not it is combined with kindness, i.e., it is better to be an honest person who is not very kind than a less honest person who is not very kind. Instead of making recommendations about the strengths and virtues in combination, positive psychology advises people to identify their "signature" strengths, and then to develop them (Seligman, 2002). The more developed any strength is, the better people are.

We accept the importance of these virtues and strengths, but we believe that:

1. Virtues and strengths should *not* be treated in isolation from each other; they are not effective, in general, if exercised independently.
2. More of any one of the strengths is not necessarily better; in fact nurturing a single signature strength can produce *deformations* of character, like a body builder who develops gigantic arms and chest and ignores the rest of his body until he can barely stand erect. Though there is something to be said for having the world's biggest biceps, overdeveloping some body parts and neglecting others will impair the functioning of the body as a whole, and so it may be with developing some strengths and ignoring others.
3. And finally, without practical wisdom, the other strengths, however well developed they may be, cannot be effectively deployed.

Journal : JOHS | Dispatch : 18-10-2005 | Pages : 19
CMS No. : DO00023651 | ☐ LE | ☐ TYPESET
MS Code : JOHS 309-SI | ☑ CP | ☑ DISK

WHAT THE POSITIVE PSYCHOLOGY OF STRENGTHS AND VIRTUES MISSES

Assume that you face the grading problem or the wedding dress problem with the best of motives, and assume that you have cultivated the full set of strengths and virtues. As you bring your 24 character strengths to bear on either of these small dilemmas, you quickly realize that they are not up to the task. There are three reasons why this is so. First, real life situations do not come labeled with the needed virtues or strengths attached. There is, thus, the problem of *relevance*: Does this situation require courage, honesty, compassion, justice or some other strength? Second, real life situations often put virtues in *conflict* with one another. Should I be honest or kind in answering my friend's question about her dress? Should I be just or generous in grading term papers? Finally, virtues or strengths lack the *specificity* required for translation into action. What do fairness and equity require of me in grading *these* two students? What would be the kind response to my friend's question about how she looks? It takes imagination and perception to translate virtue into action in any situation. It is to resolve these three issues – relevance, conflict, and specificity – that the Aristotelian virtue of practical wisdom is essential (Wallace, 1988).

Let us examine our three problems – specificity, relevance, and conflict – in a bit more detail. Suppose you have cultivated the strength of kindness, and you decide that kindness is what is called for as you answer your friend's question about her wedding dress. But what does kindness tell you to do? Is it kind to be disingenuous or to lie outright? Is it kind to blurt out the truth in the way it is kind to pull a bandage off a hairy arm in one quick motion; just get it over with? Or is it kind to shade the truth, and perhaps in a tortured conversation nudge your friend to her own realization that the dress doesn't work? There is almost certainly a right way to handle this situation, but the only way to discern it is by knowing your friend, her present mood, her sense of self, and what recourse she might have in the present circumstances. And you will also need to be thinking about how whichever form of kindness you exercise in the next ten seconds will affect the long-term character of your

Journal : JOHS | Dispatch : 18-10-2005 | Pages : 19
CMS No. : DO00023651 | ☐ LE | ☐ TYPESET
MS Code : JOHS 309-SI | ☑ CP | ☑ DISK

friendship. The particular is everything here, and knowing that kindness is a virtue does not tell you what to do.

Now consider what strengths matter in deciding how to evaluate students. It is plausible to us that from the list of twenty-four enumerated by Peterson and Seligman (2004), the following may apply: open-mindedness, ingenuity, social intelligence, kindness and generosity, duty, fairness, equity, leadership, humility, bravery, diligence, integrity, honesty, genuineness, appreciation of excellence, sense of purpose, and honor. Should they *all* be deployed? If so, in what combination? Strengths do not come with their conditions of application attached to them, and one needs a specific strength – wisdom, we argue – to judge which other strength or strengths a particular situation calls for. It should be noted, in this regard, that the strategy advocated by Seligman (2002) can make the relevance problem invisible to many people. If one cultivates ones signature strengths, one may not even realize that more than one strength might be called for in a given situation. As the old saying goes, ''If all you have is a hammer, everything is a nail.''

Finally, consider the problem of conflict among virtues. In the case of your friend and her wedding dress, honesty and kindness seem to conflict. In the case of the students who are being graded, perhaps justice and generosity conflict. But more generally, it is easy to anticipate conflicts between strengths such as valor and prudence, justice and mercy, loyalty and open-mindedness, leadership and humility, self-control and zest, open-mindedness and perseverance, perspective and justice, integrity and kindness, and justice and forgiveness. Each of the above character traits is a strength in the Peterson and Seligman classification. In our view, each of them is desirable in people. But cultivated piecemeal, and left to operate without an ''executive,'' they can lead to one social disaster after another.

ARISTOTLE

The Aristotelian perspective differs from the Peterson and Seligman (2004) ''strengths and virtues'' perspective in three important ways:

Journal : JOHS | Dispatch : 18-10-2005 | Pages : 19
CMS No. : DO00023651 | ☐ LE | ☐ TYPESET
MS Code : JOHS 309-SI | ☑ CP | ☑ DISK

1. It argues that strengths and virtues should be understood as integrated not independent.
2. It argues that people should strive for the mean with respect to each virtue, that more of a virtue is not always better.
3. Finally, it argues that there is a master virtue, practical wisdom, essential for orchestrating the other virtues into an effective and happy life. Practical wisdom is needed to solve the problems of specificity, relevance, and conflict that are pervasive in everyday experience.

The aim of life, Aristotle says In *Nichomachean Ethics*, is *eudaimonia*, which is something like what Seligman (2002) meant by "authentic happiness." To achieve this aim requires the cultivation of the virtues – not just ones signature strengths but *all* of them. A parent or a judge who is strong on kindness and generosity and weak on justice and perspective would be a disastrous parent or judge – and not very happy. As Rorty (1991) put it, **1, 2, 3, 4** "Virtues hunt in packs." Further, Aristotle told us that "more" is sometimes not better. Rather, we need to know how kind or honest or empathic or loyal to be. The virtues need to exist in the right proportions, and they need to be cultivated and deployed to the right degree. Aristotle stressed the importance of finding the mean in any action. Courage demands finding the balance between cowardice and recklessness. In general, too much of a virtue can be as big an enemy of *eudaimonia* as too little.

Further, the right amount of any of the virtues is context specific – what Nussbaum (1995) referred to as the priority of the particular. The deployment of any of the virtues must be context sensitive. Is caution a strength? Yes, "look before you leap." But change the context, and "she who hesitates is lost." The balance between cowardice and recklessness is not the midpoint on some underlying scale. Where exactly the mean lies will itself vary from context to context – situation to situation. And the right form of the virtues must be sensitive to the particular people involved. Love is a virtue. But we love our sisters, our friends, and our spouses differently. Furthermore, how I love my friend depends on who that friend is and what he needs at that particular moment as well as in the narrative of

Journal : JOHS | Dispatch : 18-10-2005 | Pages : 19
CMS No. : DO00023651 | ☐ LE | ☐ TYPESET
MS Code : JOHS 309-SI | ☑ CP | ☑ DISK

his life. One can only talk about love as a virtue if one knows how to love particular people in particular and changing circumstances. As novelist Graham Greene put it, ''One can't love humanity; one can only love people.''

ARISTOTLE VERSUS RULES

This Aristotelian position that practical wisdom is essential for solving the problems of specificity, relevance, and conflict is not the dominant one in modern ethics. More common is the notion that moral rules (e.g., Kantianism) or techniques for calculation (e.g., utilitarianism) can resolve these issues without reliance on practical wisdom (see Johnson, 1993; Nussbaum, 1995, 2004; Wallace, 1988 for discussion of the Kantian and utilitarian traditions and their limitations). For example, Kant's categorical imperative tells us that above all, people must be treated with respect – they must be treated as ''subjects'' and not as ''objects.'' This principle tells us that honesty trumps kindness if kindness requires a certain disingenuous manipulation, as might be the case either with our friend and her wedding dress or our C student with his B- paper. Kantian moral principles are famously non-consequentialist; what matters is doing the right thing, whatever the result. And in cases of moral conflict, a hierarchy of principles tells us which one to apply. Utilitarianism, in contrast, is notoriously consequentialist. It does not tell us the right thing to do in a situation so much as it gives us a formula for computing the right thing to do. But the formula is meant to be used in a rule-like, mechanical way, to calculate costs and benefits (see Baron, 1986, for a nuanced defense of utilitarianism). Critically, from our (and Aristotle's) perspective, rules – whether Kantian, utilitarian, or of any other kind – are inadequate to the task. Rules have their place in our deliberations. They are like a road map that gets us to the right city, but not the right street. However, in order to know the right thing to do, we need the right street. We need to know what *this* friend needs, not what friends in general need. And we need to know what she needs at *this* moment, not in general. This is why rules are no substitute for practical wisdom.

Journal : JOHS | Dispatch : 18-10-2005 | Pages : 19
CMS No. : DO00023651 | ☐ LE | ☐ TYPESET
MS Code : JOHS 309-SI | ☑ CP | ☑ DISK

PRACTICAL WISDOM AS THE "EXECUTIVE"

All of this context and person specificity means that there must be some "executive decision maker" to keep virtues from running amuck and enable one to do the right thing in the right way at the right time. That executive, for Aristotle, is *phronesis*, Positive psychology has a place for practical wisdom: wisdom and knowledge are one of the six virtues. But we are suggesting that it is not just one of six virtues that *might* be a signature virtue and *might* be strengthened. From our, Aristotelian perspective, it is the master virtue, without which the other virtues will exist like well-intentioned, but unruly children.

It is important to make clear that practical wisdom is not the same as practical intelligence. Practical intelligence (what Aristotle called *techne*) is what enables you to know the right thing to do in order to achieve your goals. It is an important part of practical wisdom, but it is only one component. Practical intelligence is silent on the question of what your goals should be; it does not tell you what to aim at. To have practical wisdom is to know what to aim at – to know the purpose of being a friend or a father or a teacher or a statesman. Also, practical intelligence does not make you *want* to do the right thing. It is purely cognitive, not motivational. Someone with practical wisdom not only knows the right thing to do but wants to do it. From a modern perspective, what we might say is that practical intelligence must be wedded to the other virtues; otherwise, it is mere cleverness or shrewdness (what Aristotle called *deinotes*). Untethered from other virtues, it can be a tool for untold evil. Being wise in the ways of others can be used to manipulate people to serve your ends, not theirs. Interestingly, both Sternberg (1998) and Baltes and Staudinger (2000), in their discussions of wisdom, acknowledged the importance of having the right motives. Yet in both cases, this feature of wisdom is relatively undeveloped in comparison to the discussion devoted to what we are calling practical intelligence.

To summarize, our neo-Aristotelian view is that:

1. Virtues and strengths should be integrated not independent.

Journal : JOHS | Dispatch : 18-10-2005 | Pages : 19
CMS No. : DO00023651 | ☐ LE | ☐ TYPESET
MS Code : JOHS 309-SI | ☑ CP | ☑ DISK

2. The aim in cultivating strengths should be the mean, rather than "more."
3. There must be balance among virtues as opposed to the cultivation of signature strengths. The right balance depends on the particular context, and practical wisdom is essential to achieving that balance.

PRACTICAL WISDOM AND POSITIVE PSYCHOLOGY'S VIRTUE OF "WISDOM AND KNOWLEDGE"

The Peterson and Seligman (2004) classification includes the virtue of wisdom and knowledge. Organized under this virtue are several strengths: curiosity, open-mindedness, love of learning, ingenuity and originality, and perspective. There are three things worth noting about this list of strengths. First, we believe that practical wisdom demands *all* of these strengths. There is no reason to think that someone who develops the signature strength of curiosity, or love of learning, in isolation from the others will be in a position to determine the right thing to do in the myriad of mundane social situations people find themselves in every day. Cultivating some of these strengths and neglecting others will lead to an impoverished toolbox – only hammers.

Second, we believe that practical wisdom requires other strengths that are not on the Peterson and Seligman list. It requires discernment, perceptiveness, and imagination. It requires social and emotional intelligence (which we interpret as including empathy, perspective taking, and the ability to listen, and is a strength that Peterson and Seligman classified under the virtue of humanity). And finally, and most important, the list of intellectual strengths, no matter how extensive, can never completely capture what goes into practical wisdom. For in addition to *skill*, which is what the intellectual strengths contribute to, practical wisdom requires *will*. To be wise, it is not enough to know the right thing to do. You also have to want to do it. In the absence of will, the intellectual and emotional skills that make up practical wisdom can be used as instruments of manipulation and abuse. You have to want what is best for your friend as you contemplate your answer to the "how do I look" question. You

Journal : JOHS | Dispatch : 18-10-2005 | Pages : 19
CMS No. : DO00023651 | ☐ LE | ☐ TYPESET
MS Code : JOHS 309-SI | ☑ CP | ☑ DISK

have to want what is best for your students as you contemplate the "what grade do I give" question. And doctors have to want what is best for their patients, therapists have to want what is best for their clients, judges and legislators have to want what is best for their citizens. We all know people who possess the skill without the will. Such people are dangerous.

A PSYCHOLOGY OF PRACTICAL WISDOM?

Though we have no psychology of practical wisdom to offer, we think that there are several characteristics of practical wisdom, as we have sketched it, that align themselves nicely with research in modern cognitive science. First, our suggestion that judgment rather than rules is required to determine what to do in any particular situation conforms nicely with the modern understanding that most human concepts and categories are organized around prototypes or exemplars, with no clear and unambiguous criteria for membership (Rosch, 1975; Rosch and Lloyd, 1978; Wittgenstein, 1953; see Johnson, 1993 for detailed discussion of the application of the idea of "natural concepts" to the debate in moral philosophy between rules and judgment). We now know that concepts structured to have clear defining features (e.g., "square") are rare in human experience. Far more common are concepts (e.g., "game," to use Wittgenstein's famous example) with ambiguous and changing boundaries, that admit graded membership (i.e., some very good examples and some less good). This kind of conceptual structure is what the list of strengths demands. There may be clear and unambiguous examples at the core of strengths like courage, but there will be other, less clear, perhaps even metaphorical, and ever changing examples at the periphery. That we ask ourselves questions like "is courage called for here?" and "what would it mean to be courageous in this situation?" implies an understanding of strengths as natural rather than scientific concepts. And this kind of conceptual organization is just what practical wisdom is predicated upon. This explains, by the way, why moral rules are not up to the task of telling us what to do in most of the situations we face every day: The fuzzy nature of

Journal : JOHS | Dispatch : 18-10-2005 | Pages : 19
CMS No. : DO00023651 | ☐ LE | ☐ TYPESET
MS Code : JOHS 309-SI | ☑ CP | ☑ DISK

category boundaries makes it unclear when and how these rules are to be applied, however unimpeachable the rules themselves might be. Their application requires judgment.

Second, Aristotle suggested, and we agree, that wisdom is learned but cannot be taught – at least not didactically. This means that wisdom is the product of experience. One becomes wise by confronting difficult and ambiguous situations, using one's judgment to decide what to do, doing it, and getting feedback. One becomes a wise practitioner by practicing being wise. It may thus be domain specific: The wise teacher may not be a wise parent. Relatedly, wisdom honors the priority of the particular, i.e., it is sensitive to the importance of context. It requires detailed knowledge of the other people involved in a situation: you really need to know your friend to figure out what to tell her about her dress. In the absence of detailed knowledge, rules (e.g., "always tell the truth") are all one has. There is no basis on which to use judgment to decide what to do in a particular case unless one knows the particulars of the case.

Is there a psychological framework that could explain how wisdom, so characterized, is acquired? We think there is. Our account of wisdom is well captured by connectionist, neural network, parallel distributed processing models of cognition (McClelland and Rummelhart, 1986). Such models treat learning as the result of a build-up of associations among multiple elements in our neural/cognitive architecture. The build-up takes experience; you can't just shovel rules into people's heads and expect them to be properly applied. Indeed such networks are capable of producing rule-governed behavior without the explicit representation of rules. Behavior is context sensitive in that different situations will activate different parts of a neural network. Such networks permit both conflict and ambiguity in judgment since individual cognitive elements will be part of more than one network. We imagine practical wisdom as built up via something like a neural network, as a result of experience in many different situations with features that overlap but are never identical. Though this suggestion is at the moment little more than a hand-wave, we make it to indicate that practical wisdom may be more than a mystical, mentalistic notion

Journal : JOHS | Dispatch : 18-10-2005 | Pages : 19
CMS No. : DO00023651 | ☐ LE | ☐ TYPESET
MS Code : JOHS 309-SI | ☑ CP | ☑ DISK

that is out of step with modern psychological science. On the contrary, it is possible to imagine implementing practical wisdom in a neural/cognitive system that is compatible with our current understanding of the nervous system. Indeed, it may be that wisdom is more psychologically compatible with our modern understanding of cognitive organization than any system of moral rules would be (see Churchland, 1996; Flanagan, 1996; Johnson, 1996, and other contributions to May et al., 1996, for some examples of the application of modern cognitive science to moral decision making).

Third, timing matters when it comes to figuring out the right thing to do. As we said at the beginning of this paper, if it takes you two minutes to respond to "how do I look?" you have answered the question in a particular way no matter what you ultimately say. There is now growing evidence from the literature on decision making – both moral and otherwise – that the best way to understand decision making is as the result of the operation of two systems – one fast, automatic, unconscious, and organized very much like neural networks, and the other slow, deliberate, conscious, and organized by rules (e.g., Haidt, 2001; Kahneman, 2003; Kahneman and Frederick, 2002; Schwarz, 2002; Slomin, 2002; Slovic et al., 2002; see Gladwell, 2005, for some vivid examples of the automatic system in operation, not always successfully). Operation of the first system is mandatory; operation of the second system is optional. Such a characterization is quite compatible with how we think about wisdom. We are, at least sometimes, able to determine the right thing to do extremely rapidly, without even realizing that there *was* a decision – that there were options aside from what we chose. This too is compatible with at least some readings of Aristotle. Aristotle emphasized the importance of habit to moral judgment and decision making, an emphasis echoed by Dewey (1960) centuries later. Such moral habits, understood as developed neural networks, are just what the "automatic" decision-making system may be about (but see Nussbaum, 2004, for an argument that for Aristotle, wisdom always involves deliberation of some kind.) Thus, we believe that a psychology of practical wisdom, based on our current understanding of conceptual organization, neural architecture, and decision making, offers a great deal of promise.

Journal : JOHS | Dispatch : 18-10-2005 | Pages : 19
CMS No. : DO00023651 | ☐ LE | ☐ TYPESET
MS Code : JOHS 309-SI | ☑ CP | ☑ DISK

THREATS TO PRACTICAL WISDOM

We have argued that practical wisdom requires the right goals, the right motives, and the relevant experience. It also requires enough flexibility and autonomy so that one can actually *do* what the situation calls for. Given these requirements, and given the centrality of practical wisdom, as the executive decision maker, to character, it is distressing that modern social trends are conspiring to make wisdom ever more difficult to cultivate. These trends can be organized around two core features: increasing market pressure and increasing bureaucratization. The pressure to make a profit threatens both skill and will. It threatens the development of the skills demanded by practical wisdom by depriving people of adequate time to get to know people and situations well enough to exercise judgment wisely. Doctors who see eight patients an hour can't possibly be expected to discern the unique circumstances of each patient. And it threatens the will by substituting financial incentives for motivation to do the right thing (see Frey and Oberholzer-Gee, 1997; Lepper and Greene, 1978; Schwartz, 1994).

Bureaucratization is a threat to the development of the skills required by practical wisdom and to the flexibility and autonomy needed for its deployment. When teachers are forced to follow prescribed lesson plans to achieve rigidly specified curricular goals, they are hardly in a position to look for and capitalize on teachable moments. Nor are they able to gain and use the sophisticated knowledge of each pupil that is needed to tailor instruction in a way that meets individual needs, interests, and abilities. One of Piaget's most important lessons was that cognitive development occurs when children are confronted with tasks that are challenging – but not too challenging. Bureaucratization makes the discernment of this kind of information impossible.

It is important to appreciate that both of these threats are self-perpetuating. The less practice people get, the worse their judgment will be, and the worse their judgment is, the more people in charge will perceive the need for rules – rigid bureaucratic procedures. This in turn will mean less practice, which

Journal : JOHS | Dispatch : 18-10-2005 | Pages : 19
CMS No. : DO00023651 | ☐ LE | ☐ TYPESET
MS Code : JOHS 309-SI | ☑ CP | ☑ DISK

will mean more rules, and so on. Similarly, the more financial incentives crowd out people's desire to do the right thing, the more they will have to be policed, and their tasks "incentivized" to make sure they do the right thing. Market incentives and bureaucratic rules may be an appropriate short-term response to greedy doctors or unimaginative teachers, but in the long term, they only make doctors greedier and teachers less imaginative.

If we are correct that practical wisdom is absolutely essential to virtue, then attention must be paid to the character of the social institutions within which people operate. It will do little good to encourage people as individuals to cultivate their signature strengths if the one strength without which the others will be inadequate is subverted wherever they turn. In other words, we are suggesting that you cannot have a positive psychology without paying special attention to practical wisdom, and you cannot cultivate practical wisdom without paying special attention to the shaping of positive social institutions. Seligman and Csikszentmihalyi (2000) identified positive social institutions as a key part of a future positive psychology. We believe that a psychology of positive social institutions should be the centerpiece of a positive psychology. Yet thus far, little has been done to develop such a psychology. The emphasis has been almost entirely on the development of the individual (but see Cameron et al., 2003, for an example of what a psychology of positive social institutions might look like).

CONCLUSION: WISDOM AND HAPPINESS

It is possible that research will show that the greater a strength, the happier the person – that from the point of view of subjective experience – of positive emotion – as it is currently understood, Aristotle was wrong. You may not need all the virtues, and more of any virtue may be better than less, when we are measuring affect. But if this were to turn out to be true, what should we make of it? How important is happiness, understood as positive emotional experience?

Journal : JOHS | Dispatch : 18-10-2005 | Pages : 19
CMS No. : DO00023651 | ☐ LE | ☐ TYPESET
MS Code : JOHS 309-SI | ☑ CP | ☑ DISK

We do not want to suggest that positive emotion is unimportant, but we do want to suggest that it is not the only outcome measure that matters. What about the other people in a person's life? How effective is that person in improving the lives of others? If we are correct about the centrality of practical wisdom to the management of our social relations, people who go about cultivating and deploying their signature strengths without such wisdom may end up leaving a good deal of human wreckage in their wake. You may feel good, having cultivated your signature strength of honesty, when you tell your friend how fat she looks in that dress. But the effect of your honesty on her may be disastrous. The effects of our behavior on others should count a good deal – at least as much as the effects on our own affective states – when we evaluate the consequences of cultivating signature strengths. Indeed, it could be argued that in our culture, at this time, positive emotion may be just the wrong thing to be measuring. People are already too self-absorbed. People are already too concerned with feeling good rather than doing good.

Aristotle's *eudaimonia* and Seligman's (2002) "authentic happiness" are not the same as positive emotion. Seligman suggested that authentic happiness *includes* positive emotion, but it also includes, even more centrally, meaning and engagement. Meaning and engagement may, in turn, demand an Aristotelian network of strengths, organized and orchestrated by practical wisdom to be deployed in the right proportions. Seligman suggested that "authentic happiness" may only be achievable *indirectly*, as a byproduct of living an engaged and meaningful life. Perhaps we should be finding ways to measure engagement and meaning as outcome variables, and trust that happiness, understood as positive emotion, will then take care of itself. Given the centrality of ones work and close relations to well-being (e.g., Argyle, 1999; see other contributions in Kahneman et al., 1999), and given our argument about the centrality of wisdom to both meaningful work and successful close relations, it seems to us quite possible that, as Aristotle thought, wisdom is actually essential to enduring happiness. Being wise thus serves others, but it also serves the self.

Journal : JOHS | Dispatch : 18-10-2005 | Pages : 19
CMS No. : DO00023651 | ☐ LE | ☐ TYPESET
MS Code : JOHS 309-SI | ☑ CP | ☑ DISK

597 REFERENCES

598 Argyle, M.: 1999, 'Causes and correlates of happiness', in D. Kahneman, E.
599 Diener and N. Schwarz (eds), Well-being: The Foundations of Hedonic
600 Psychology (Russell Sage Foundation, New York), pp. 353–373.
601 Aristotle: 1999, Nicomachean Ethics (M. Ostwald, Trans.) (Prentice Hall,
602 Upper Saddle River, NJ). **1, 2, 3, 4**
603 Baltes, P.B. and J. Smith: 1990, 'The psychology of wisdom and its ontogen-
604 esis', in R.J. Sternberg (ed.), Wisdom: Its Nature, Origins, and Development
605 (Cambridge University Press, New York), pp. 87–120.
606 Baltes, P.B. and U.M. Staudinger: 1993, 'The search for a psychology of
607 wisdom', Current Directions in Psychological Science 2, pp. 75–80.
608 Baltes, P.B. and U.M. Staudinger: 1998, Wisdom. in: H. Friedman (ed.),
609 Encyclopedia of Mental Health, Vol. 3 (Academic Press, San Diego, CA) pp.
610 699–706.
611 Baltes, P.B. and U.M. Staudinger: 2000, 'Wisdom: A metaheuristic (pragmatic)
612 to orchestrate mind and virtue toward excellence', American Psychologist
613 55, pp. 122–136.
614 Baron, J.: 1986, 'Tradeoffs among reasons for action', Journal for the Theory
615 of Social Behavior 16, pp. 173–195.
616 Cameron K.S., J.E. Dutton and J.E. Quinn (eds): 2003, Positive Organiza-
617 tional Scholarship (Berrett-Koehler, San Francisco).
618 Churchland, P.M.: 1996, 'The neural representation of the social world', in L.
619 May, M. Friedman and A. Clark (eds), Mind and Morals (MIT Press,
620 Cambridge, MA), pp. 91–108.
621 Dewey, J.: 1960, The Theory of the Moral Life (Holt, Rinehart and Winston,
622 New York).
623 Flanagan, O.: 1996, 'Ethics naturalized: Ethics as human ecology', in L. May,
624 M. Friedman and A. Clark (eds), Mind and Morals (MIT Press, Cambridge,
625 MA), pp. 19–44.
626 Frey, B.S. and F. Oberholzer-Gee: 1997, 'The cost of price incentives: An
627 empirical analysis of motivation crowding-out', American Economic Review
628 87, pp. 746–755.
629 Gladwell, M.: 2005, Blink (Little Brown, New York).
630 Haidt, J.: 2001, 'The emotional dog and its rational tail: A social intuitionist
631 approach to moral judgment', Psychological Review 108, pp. 814–834.
632 Johnson, M.L.: 1993, Moral Imagination (University of Chicago Press, Chi-
633 cago).
634 Johnson, M.L.: 1996, 'How moral psychology changes moral theory', in L.
635 May, M. Friedman and A. Clark (eds), Mind and Morals (MIT Press,
636 Cambridge, MA), pp. 45–68.
637 Kahneman, D.: 2003, 'A perspective on judgment and choice', American Psy-
638 chologist 58, pp. 697–720.
639 Kahneman D., E. Diener and N. Schwarz (eds): 1999, Well-being: The
640 Foundations of Hedonic Psychology (Russell Sage Foundation, New York).

Journal : **JOHS**	Dispatch : **18-10-2005**	Pages : **19**	
CMS No. : **DO00023651**	☐ LE	☐ TYPESET	
MS Code : **JOHS 309-SI**	☑ CP	☑ DISK	

Kahneman, D. and S. Frederick: 2002, 'Representativeness revisited: Attribute substitution in intuitive judgment', in T. Gilovich, D. Griffin and D. Kahneman (eds), Heuristics and Biases: The Psychology of Intuitive Judgment (Cambridge University Press, New York), pp. 49–81.

Lepper M.R. and D. Greene (eds): 1978, The Hidden Costs of Reward (Lawrence Erlbaum, Hillsdale, NJ).

May, L., M. Friedman and A. Clark (eds): 1996, Mind and Morals. (MIT Press, Cambridge, MA). **1, 2, 3, 4**

McClelland, J. and D. Rummelhart: 1986, Parallel Distributed Processing: Explorations in the Microstructure of Cognition (2 vols) (MIT Press, Cambridge, MA).

Nussbaum, M.C.: 1990, Love's Knowledge (Chapter 2) (Oxford University Press, New York). **1, 2, 3, 4**

Nussbaum, M.C.: 1995, Poetic Justice (Beacon Press, Boston).

Nussbaum, M.C.: 2004, Positive psychology and ancient Greek virtue ethics. Unpublished manuscript. University of Chicago.

Peterson, C. and M.E.P. Seligman: 2004, Character strengths and virtues: A handbook and classification (Oxford University Press, New York).

Rorty, A.E.: 1991, Mind in Action: Essays in the Philosophy of Mind (Beacon Press, Boston).

Rosch, E.: 1975, 'Cognitive representations of semantic categories', Journal of Experimental Psychology: General 104, pp. 192–233.

Rosch E. and B.B. Lloyd (eds): 1978, Cognition and Categorization (Lawrence Erlbaum, Hillsdale, NJ).

Schwartz, B.: 1994, The Costs of Living: How Market Freedom Erodes the Best Things in Life (W. W. Norton, New York)republished by XLibris, 2000.

Schwarz, N.: 2002, 'Feelings as information: Moods influence judgments and processing strategies', in T. Gilovich, D. Griffin and D. Kahneman (eds), Heuristics and Biases: The Psychology of Intuitive Judgment (Cambridge University Press, New York), pp. 534–547.

Seligman, M.E.P.: 2002, Authentic Happiness (Free Press, New York).

Seligman, M.E.P. and M. Csikszentmihalyi: 2000, 'Positive psychology: An introduction', American Psychologist 55, pp. 5–14.

Sloman, S.A.: 2002, 'Two systems of reasoning', in T. Gilovich, D. Griffin and D. Kahneman (eds), Heuristics and Biases: The Psychology of Intuitive Judgment (Cambridge University Press, New York), pp. 379–396.

Slovic, P., M. Finucane, E. Peters and D.C. MacGregor: 2002, 'The affect heuristic', in T. Gilovich, D. Griffin and D. Kahneman (eds), Heuristics and Biases: The Psychology of Intuitive Judgment (Cambridge University Press, New York), pp. 397–420.

Staudinger, U.M. and P.B. Baltes: 1994, 'Psychology of wisdom'. in R.J. Sternberg (ed.), Encyclopedia of Intelligence, Vol. 1 (Macmillan, New York) pp. 143–152.

Journal : JOHS | Dispatch : 18-10-2005 | Pages : 19
CMS No. : DO00023651 | ☐ LE | ☐ TYPESET
MS Code : JOHS 309-SI | ☑ CP | ☑ DISK

685 Staudinger, U.M. and P.B. Baltes: 1996, 'Interactive minds: A facilitative setting for wisdom-related performance?', Journal of Personality and Social
687 Psychology 71, pp. 746–762.
688 Sternberg, R.J.: 1998, 'A balance theory of wisdom', Review of General Psy-
689 chology 2, pp. 347–365.
690 Wallace, J.D.: 1988, Moral Relevance and Moral Conflict (Cornell, Ithaca,
691 N.Y).
692 Wittgenstein, L.: 1953, Philosophical Investigations (translated by G.E.M.
693 Anscombe) (Macmillan, New York).
694
695 Address for correspondence:
696 BARRY SCHWARTZ
697 Department of Psychology
698 Swarthmore College
699 500 College Avenue
700 Swarthmore PA 19081
701 USA

702 *E-mail: bschwar1@swarthmore.edu*
703

Journal : JOHS | Dispatch : 18-10-2005 | Pages : 19
CMS No. : DO00023651 | ☐ LE | ☐ TYPESET
MS Code : JOHS 309-SI | ☑ CP | ☑ DISK