

# Culture and Economics. 5th International Economic Philosophy Conference

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## *Book of Abstracts*

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## Session 1: Banking, money and culture

A contribution on relationship banking. Economic, anthropological and mathematical reasoning, empirical evidence from Italy

**Marco Desogus, Elisa Casu**

This research concerns the tightness of the economy and demonstrates the need for procedural reforms between banks and companies for more relational and infra-cooperative structures. Among these corrections, we suggest that banks and companies be considered as unicum bank-enterprises and monetary-financial and productive activity as two faces of the same coin, rather than distinct functions of separate entities.

With the rapid and increasingly “liquid” evolution—to put it in the Bauman (2000) context—of financial intermediation in large groups and fintech, it is with a certain audacity that we propose more “solid” action.

Following an anthropological and economic-behavioral survey on the inherent human qualities of cooperation and relationality, we situate these two qualities in economic actions and particularly in the relationship between financing institutions and producers.

This heterodox notion is supported by an analysis of Italian performance data on financing trends, bank non-performing loans and the number of companies in the production sector, which reflects the progressive deterioration of the economy. From there, we apply a mathematical model to finalize our hypothetical reform.

We finally recommend a strategy for the gradual implementation of our conclusions, based on an examination of existing cooperative banking intermediation practices.

## Is it Possible to Shape Moral Attitudes in Banking Culture ? - the Polish example

**Mateusz Kucz**

This paper concerns the practical problem of the evolution of moral attitudes among representatives of Poland's banking sector in the face of the requirements imposed by the Sectoral Qualifications Framework for Banking in Poland (SQFB). In order to answer the question addressed in the title, we should reflect on whether work in the financial sector culture has a moral aspect. I will tackle this problem in the opening section.

In the second part, I will analyze codes of ethics and incentives which are currently used to influence moral attitudes in professional practice. When there is a need for shaping moral attitudes due to a growing number of new ethical challenges or a certain moral crisis erupts in a specific sphere of public life or a specific profession, we reach for two standard tools: regulations and incentives. The classic example was the response to the 2008 financial crisis. An overwhelming majority of commentators demanded increased regulation or enhanced systems of financial incentives in the financial sector.

The first way to respond to the emergence of a moral crisis is to attempt to regulate the condemnable action. In such cases, a standard approach would be to develop a code of ethics. As Magdalena Środa pointed out in her article in *Etyka*: “The very need to frame codes is cyclical. It emerges in those professions and institutions of public life which face a crisis; it emerges where there are “insufficient” ordinary honesty and personal uprightness. The weaker individual decency, the more demands for codes” (Środa, 1994, p.168). That low opinion of human behavior seems to be well-founded if we look

at numerous professional codes formulated in Poland since the 1990s. Most of them enumerate constraints and prohibitions to be observed by the representatives of various professions. These bans have an evident cyclical character and often address various specific, unacceptable behaviors.

This state of affairs rests on two popular, yet false assumptions. Firstly, many people naively and almost magically cherish a belief in ethical intellectualism. They assume that the mere identification and naming of morally reprehensible attitudes and behaviors will make people act well. However, the mere naming of moral evil is only the first step towards shaping what a moral action can be. Since Ovid's confession, *Video meliora, proboque, deteriora sequor* (I see and approve of the better, but I follow the worse), (Ovid, 7.20-21) it has been a commonly shared belief that to take a morally acceptable action we need something more than an awareness of our moral duty.

Secondly, people would like to receive clear, unambiguous and conclusive instruction on how to act morally. Maria Ossowska gives a name to that need, "a hunger for the absolute" (Ossowska, 2000, p. 17-24). If I have a right, rules of procedure or code, I can consider it conclusive in resolving what is morally right. In this situation, I do not need to ponder "what I should do" but just check "what the code requires." In other words, this kind of instruction helps to liberate me from the constant need to take responsibility when facing moral challenges and allows me to rely on a code to discover what is moral.

To grasp the problem fully, it should be noted that the moral dimension of our actions consists of several elements. In the cognitive order, the first one is aware of the moral nature of our performance. The second element is a sense of agitation (empathy, sadness, fear) which calls for action. The final element is the decision to act, following the perceived moral challenge.

In this context, let us consider the incentives for moral conduct. As with the drafting of codes, the mechanism of incentives partly allows us to evade the question of responsibility. This is because it is another decisionmaker who determines what actions are desirable and what incentives should be proposed for employees. In this situation, all pressure is put on the second and third components of moral conduct. The main question is how to persuade people to act as we believe they should. The fundamental problem, however, is that external stimuli very often replace moral motivation and start to drive our choices.

After demonstrating some downsides of such tools, part three will explore possible solutions to some emerging issues and identify relevant tools to meet the requirements established by the SQFB and building a culture of responsibility, not only some kind of facade. In the last section, I will discuss an approach to shaping moral attitudes based on Aristotle's ethics of virtue. In the classical sense, virtue ethics is often juxtaposed with calculating and selfish economic motivation. I will try to demonstrate that it does not have to be the case and that, when some criteria are met, Aristotle's concept can be aligned with market activities. In particular, his concept of *phronesis* (practical wisdom) can significantly improve and complement some existing mechanisms and help nurture moral attitudes in the financial sector.

In reality, taking responsibility in accordance with professional ethics can be manifested in practical wisdom; for example, when keeping careful records of a customer's income and resources to assess their creditworthiness. Practical wisdom will help solve ethical dilemmas in the professional practice of banking sector employees, by finding room for the complexity and ambiguity of moral situations that occur; for example, when assessing whether a loan applicant is trustworthy and whether the risk is worth taking.

Creating good conditions for the development of practical wisdom is not easy. It requires bank managers to offer their staff opportunities to meet the people whom they support. Consent to some degree of improvisation is necessary, which of course, involves the risk of making mistakes and accepting them. Yet fostering practical wisdom can lead to increased satisfaction and internal motivation, and encouraging practical wisdom will allow banks to create a new culture of responsibility.

## The Functional Unity of Liquid Assets

**Cristian Frasser**

Many of our economic transactions are carried out with the help of bills or coins issued by some country's monetary authority. Despite the popularity of bills and coins in transactions, we can also surely remember situations in which the cash in our pocket was useless and instead we paid, for example, with a debit card. In these simple cases, assets like bills, coins, and debit cards all helped us to trade by working as a means of payment. Another way assets can help us to trade is by serving as collateral. Consider a household that obtains a credit line collateralized by a mortgage and uses it to pay for consumption. Beyond the contractual complexities, the physical house is an asset that works as collateral and allows the household to acquire good and services.

Assets that help us to trade, as in the cases above, provide what monetary economists technically call liquidity services. There are multiple dimensions and definitions of liquidity (Tirole, 2008). However, in this paper I understand liquidity as monetary economists do. In monetary economics, liquidity refers to the degree to which assets are useful in facilitating transactions (Lagos et al., 2017). Accordingly, when an asset is called a liquid asset, the intended meaning is that such an asset to some degree facilitates exchange by being accepted in trade either as a means of payment or collateral.

An object is traditionally called money if it performs any of the following functions: means of payment, store of value, or unit of account. Distinct monetary theories have addressed each of these functions, and the emphasis on a given function has arguably changed in different moments of the history of economic thought. Currently, most monetary economists share a special interest in the function of means of payments, which is regarded, among the three, as the primary function (Wallace, 2008). The function of means of payment is clearly part of the definition of liquidity used by monetary economists. However, the advantage of defining liquidity in terms of assets that facilitate transactions rather than simply in terms of assets that are a means of payment is that it allows us to include other assets that, like those accepted as collateral, also help us to trade. Liquidity thus does not rival with the function of means of payment; it is instead a more general way to express a property of assets that to some degree help us to trade.

Liquidity opens the possibility to devise a taxonomy of assets. Economists, for instance, can group and give a name to assets that have reached a given threshold of liquidity. We can then ask about the validity of such a classification: Is liquidity-based asset classification a natural kind classification? A natural kind can be generically defined as a group of entities that are lumped together because they share a set of properties, provided that the shared properties do not co-occur by chance but by the operation of some causal mechanism. Unlike spurious kinds, natural kinds are precious because they have inductive and explanatory potential. For instance, the properties of the kind 'copper' can explain why an instance of 'copper' conducts electricity and allow us to infer that a new instance of 'copper' will also conduct electricity.

Monetary economists can use interchangeably terms like 'money' or 'liquid assets' to name the group of assets that, either as means of payment or collateral, have reached a certain threshold of liquidity. However, for the purpose of the paper, the term 'money' could do more harm than good as it clashes with the still widespread practice of calling 'money' assets that work only as a means of payment (especially, fiat currency) or that have other functions like unit of account or store of value. To avoid confusion, I use the term 'liquid assets' to designate a group of assets that have achieved a given threshold of liquidity, either as a means of payment and/or as collateral. I use the term 'money' instead to refer to a subgroup which works only as a means of payment.

The paper contributes to the debate about the existence of natural kinds in the social world. My main claim is that the kind 'liquid assets' is a functionally defined natural kind. I argue that the kind 'liquid assets' is united by the functional property of liquidity and that such a function can be multiply realized. There are two genuinely different mechanisms through which assets can render liquidity services: monetary trades and credit trades. I also argue that the kind 'liquid assets' earns its credential of natural kind by playing an epistemic role in explanatory economic models. I finally point out that mind-dependence does not threaten realism about the kind 'liquid assets.'

A popular strategy among philosophers who seek to demonstrate the social sciences' limited ability to yield reliable knowledge is to attack the possibility of finding natural kinds in the social realm (Ellis, [2002]2014; Guala, 2016a). The paper shows that 'liquid assets' can be regarded as a natural kind. Thus, an implication is that philosophers must be more cautious before endorsing a dismissive attitude toward the social sciences.

## Session 2: Economic justice and culture

### Culture, Individualism and Preferences for Redistribution

**Hammar Olle**

In this study, I analyze the relationship between individualism and preferences for income redistribution and equality, using variation in immigrants' countries of origin to capture the impact of cultural beliefs on individual preferences. Using global survey data for a large number of individuals and countries around the world, I find strong support for the hypothesis that coming from a more individualistic culture is negatively and significantly associated with an individual's preferences for redistribution. The results are confirmed using a variety of robustness checks, including matching estimators and the grammatical rule of a pronoun drop as an instrumental variable. Cultural assimilation analysis, however, indicates that the impact of the cultural origin weakens off with time spent in the new country, and that the culture of origin has no statistically significant effect on an individual's current preferences for redistribution if migration took place before the age of 10.

### Exploitation, Trade Justice, and Corporate Obligations

**Brian Berkey**

In *On Trade Justice*, Mathias Risse and Gabriel Wollner defend an account of trade justice on which the central requirement, applying to both states and firms, is a requirement of non-exploitation. On their view, in the context of trade exploitation consists in "power-induced failure of reciprocity," which generates an unfair distribution of the benefits and burdens associated with trade relationships.

In this paper, I argue that while there are many appealing features of Risse and Wollner's account, their discussion does not articulate and develop the unified picture of states' and firms' obligations

that they aim to provide as clearly as it might have. In particular, it is, I claim, unclear exactly how they understand the relationship between the fairness-based requirements that apply to states and those that apply to firms.

I argue that there are two types of accounts that they might accept, which correlate with competing approaches in the literature to explaining the wrong of exploitation: a “transactional” account and a “structural” account. I claim that there are strong reasons to think that the transactional account is unacceptable, and that we should therefore prefer the structural account. In addition, I note some of the key implications of accepting this account, and suggest that if Risse and Wollner accept these implications and revise other aspects of their view accordingly, the result is a plausible and unified account of what trade justice requires.

## Philosophical Underpinnings of 'Efficiency' and 'Justice': The Cultural Economy of Land and Law-Making as Basis and Critique

**Nitika Dhingra**

A scientific theory with normative standards, economics is often assumed to be insensitive to various arenas of cultural dimensions of economy, markets or institutions, and so on despite attempts to advance the scientific investigation of economics in law-making and its applications. The law-making and its subsequent implementation, as an obligation backed by a State sanction, has a strong influence on society. The accomplishment of social goals initiates a chain of outcome and consequences (sometimes unintended), thereby demanding a particular mechanism to gauge laws' effects on the overall economy, which comprise of various individuals and institutions. The law and economics employ reasoning methods of modern economic theory based on 'normative standards' and 'predictability'. So the organising concept of neo-classical economics, that is, 'efficiency', plays a significant role to understand the construct of law and economics. This paper undertakes the concept of efficiency as it has evolved in mainstream neoclassical economics and its application in case of the practical law-making exercise, specifically concerning land acquisition laws in India since the colonial period. It engages with the Pareto criterion and Hicks-Kaldor criterion for efficiency. It argues on a theoretical plane how principles of justice, within the framework of Rawls's theory, are virtually excluded from the dominant efficiency criterion, popular within the discipline of economics.

Through a historical analysis of the Land Acquisition Laws in India, the paper identifies the various motivations driving the enactments. The concerns of efficiency have dominated the rationale of law-making. Like in the traditions of neo-classical economics, there is no modelling of the cultural economy or 'power' (of Capital or the State), and the application of efficiency principles relies on mere market price signals. As there is no substantive analysis of gains and losses, even the idea of the 'land' purely works as a mere commodity for transaction purpose, attached with the best monetary advantage that lacks the integrated construct that links the 'land question' to the social, moral and, the cultural. If one extends the argument in the contemporary scenario amid land contestation, it misses the historical gaze and the transitions brought by the coming of the 'market system'. With an inclination to understand the 'land' in one-dimension, that is, a dehumanised and impersonal abstract entity and by employing the concept of 'efficiency', the policy-makers tilts towards 'universal theories' in social sciences.

The neo-classical conception of 'rational man' as a result of and as an actor in the state, capital and market nexus is subject to various courses of action that are institutionalised by law and sometimes also used as recourse to seek relief from these results. It is essential to question, whether the entire



set-up act as the 'neutral arbiter' of law and has from time to time consolidated itself as the moral authority of justice as assumed by the 'rational man'. The interplay of 'efficiency' and 'justice' debates and its philosophical underpinnings necessitates one to examine the social, cultural and historical, that is, inclusive of spatial and temporal diversities in the life of people and nations. The engagement with this construct is essential to critically unravel the dominant styles of thought and reasoning in economics.

## The moral reason of intergenerational justice

**Valentin Cojanu**

The prospect of future generations' welfare has taken almost stealthily centre stage of the economic debates on growth scenarios. The once dominant concerns about pollution and finite resources have been supplemented of late with controversies related to the measure of sacrifice that we have to accept to ensure the equivalence between present and future living standards.

If humankind has not secured yet a feasible and widely accepted *modus vivendi* to overcome the environmental dilemma it is because, we argue, the way we contemplate our relationship to nature is plagued by one irremediable deficiency – a 'two viewpoints' logic of superimposing our culture's values on the intrinsic value of the nature itself. Recognized in the literature as early as the 1960s (cf. Maris 2015), the detachment of 'culture' from 'nature' has been a gradual and irreversible progress of human spirit from the time of the Agricultural Revolution (Harari 2011: 235-6) to the present-day advance of artificial intelligence. For reasons we attempt to reveal in this paper, the defect of this mindset is twofold: first, it leads to never-ending controversies about the appropriate moral norm to underpin decision-making; second, it represents a cultural imprint, continually skewed towards human dominance over nature, at least in Western civilization, that can only suggest imperfect if not outright bad policy actions.

Past lends itself to no recognized models. Various ethical dispositions succeeded one another from foragers' time of raw utilitarianism and animistic belief system until present times of educated altruism and anthropocentric beliefs about our ability to manage the future path of prosperity by direct control of nature's bounties. Diamond (2005) attempts nevertheless to establish a reference in this debate. His panoramic view of past societies' collapse suggests four explanatory patterns, of which "the society's responses to its environmental problems", as a contributing factor, "always proves significant" (11). Two sets of his explanations are characteristic of unconscious acts leading to "ecocide": "unintended consequences" of a society's "best efforts" to anticipate or to perceive (or detect) ecological problems (6, 10); the other two are, on the contrary, representative of purposeful decisions: failure to solve, and to succeed in overcoming environmental damage (420).

We usually work on the assumption that our concerns have been accurately predicted and identified and hence left little room for unknown scenarios; this paper does not attempt to dispute that. It is rather the last two patterns in Diamond's framework which seem to match at best our present worries. Failure to solve points to possible shortcomings in arriving at necessary and sufficient corrections to reverse the civilization's fate. Failure to succeed is indicative of a "clash of values" (Diamond 2005, 420) that impedes our scientific and policy-oriented efforts to make progress. These two guidelines serve as the organizing themes of the remaining of the paper. We review first the present attempts at solving the equity dilemma between present and future generations. One two-pronged question looms large in this debate: should growth be reconceived on environmental grounds and, if rescaling of production and consumption is indeed a feasible option, how could it occur in an acceptable way, that is

acceptable to both present and future generations? In this debate, the measure of sacrifice undergoes varied representations, from quantitativist to preservationist. Further on, we attempt to draw the line at never-ending controversies about the appropriate moral norm underlying decisions with environmental impact. We reframe successful action in terms of the culture of growth and fairness that could become intelligible from both a rational and moral viewpoint. The compounding agenda of Nature – Market – Society (NMS) relations asks for an integrative resolution that would most probably emerge from adding a cultural accent to current disciplinary or technological breakthroughs in the way humankind has already done when confronting previous global threats, for example containing world wars, alleviating mass poverty, or controlling epidemic outbreaks.

## Session 3: French session

### Apprentissage et découverte du rationalisme critique

#### **Gilles Campagnolo**

L'expression de « rationalisme critique » met parfaitement en lumière le trait essentiel de la philosophie de Karl Popper : nos raisons ne sont pas des raisons de justifier, mais des raisons de critiquer, au mieux des raisons de préférer. Cette thèse, l'épistémologie de Popper la met en avant (*La Logique de la découverte scientifique*, 1934, trad. fr. rééd. 2017), ainsi que sa philosophie politique (*La Société ouverte et ses ennemis*, 1945, trad. fr. 1979). Mais ni l'une ni l'autre ne sont sorties tout armées de l'esprit d'un homme fait : elles sont le fruit d'une enfance et d'une jeunesse étudiante et active au coeur de la capitale de la Mitteleuropa, à Vienne. Les écrits de jeunesse montrent la genèse de l'oeuvre poppérienne dans une Vienne formatrice et matrice de savoirs neufs (réforme scolaire, néopsychologie, Cercle de Vienne) au sein d'un milieu cosmopolite progressiste, ainsi que l'environnement d'un penseur enthousiaste dans ses premières réalisations. Ils traitent aussi bien de la relation élève-enseignant que du processus de mémorisation, de l'idée de patrie que de l'« expérience vécue de la règle ». Il faut re-découvrir Popper à ses origines, avant l'exil : la publication des *Écrits de jeunesse* (Paris, Éditions Rue d'Ulm, 2019) traduits de l'allemand le permet. Cette communication les présente, en soulignant l'importance d'autant plus grande de ce volume que cette publication vient clore la publication des oeuvres de Popper en langue française.

### Dépréciation de la culture et science économique le contre-exemple de Rosa Luxemburg

#### **Pouchol Marlyse**

La communication propose de reprendre la critique de Hannah Arendt formulée à l'encontre d'une science économique qui vide la notion de société de tout contenu culturel en la réduisant à une unité de production ou à un espace d'échanges de choses, lesquels pouvant être aussi une seule et même entité, comme c'est le cas chez Adam Smith.

L'échange des choses pensé par les économistes supprime l'échange des mots, autrement dit la communication verbale entre les individus qui, au XVIII<sup>e</sup> siècle encore, était incluse dans le terme de « commerce ». En isolant une partie des activités humaines, la théorie économique est conduite à réduire la parole à un aspect secondaire en ne la considérant que sous l'angle de son utilité pour l'efficacité économique. Et si la communication entre les individus est effectivement la source de la culture, la théorisation de l'économie contient, en conséquence, sa dépréciation. Cet aspect a déjà été

en partie mis en évidence dans un article : « Fiction sociale et dépréciation de la parole. Arendt et la critique du concept économique de société », (Revue d'histoire de la pensée économique, n°5, 2018, p. 139-157, éditions Classiques Garnier).

La culture, et en particulier la langue, ne fait-elle pas aussi société, autant, si ce n'est plus, que les relations de production ou d'échanges monétisées ? Dans un deuxième temps, il va s'agir de montrer que Rosa Luxemburg a tout-à-fait conscience de ce fait, si bien qu'elle développe une analyse de l'économie en rupture avec une science économique orthodoxe et officielle. Un ouvrage, paru dans sa version française en 2001, *La question nationale et l'autonomie*, (traduction Claudie Weill, éditions Le temps des cerises) met particulièrement en évidence l'importance qu'elle accorde au facteur national et linguistique, ce qui se traduit par la promotion d'un internationalisme ayant en vue la préservation des différences et non leur aplanissement dans un volapuk mondial. Plus encore, son analyse de l'accumulation du capital qui décrit un processus d'expansion, voire d'excroissance de l'économie qui se nourrit de tout ce qui lui est extérieur ouvre à la compréhension d'un capitalisme qui serait, pour le coup, destructeur de la culture. C'est une analyse, comme elle l'indique elle-même, qui a effectivement inspiré Hannah Arendt (voir « Rosa Luxemburg 1871-1919 » in *Vies politiques*, éditions tel Gallimard, 2001, p 42-68).

## L'économie, le désenchantement du monde et le conflit des valeurs: une réévaluation

**Patrick Mardellat**

L'économie, sous son régime capitaliste mondialisé est accusée d'homogénéiser les cultures nationales ou locales en une vaste sous-culture mondiale, si ce n'est de détruire tout simplement les cultures – à savoir les mœurs, les us et coutumes, les traditions populaires et les langues qui les soutiennent, ainsi que les hautes créations culturelles qui enrichissent le fond du patrimoine commun de l'humanité. En lieu et place s'imposerait ce qu'il convient d'appeler une sous-culture mondiale au sens à la fois d'un sous-produit culturel de la marchandisation croissante des rapports humains, et d'une médiocrité divertissante qui n'incarne plus l'être ensemble des humains situés dans des communautés localisées en des lieux de vie, à savoir une pseudo-culture sans histoire incapable d'incarner le génie des peuples, des langues et des communautés historiques et politiques.

Cette critique n'est pas nouvelle. Elle prend une acuité particulière de nos jours en raison de l'accélération du processus de « globalisation » en cours d'achèvement. Toute l'humanité dans tous les coins de la planète semble être soumise à un régime unique de marchandisation sous différentes formes d'un même régime capitaliste. Déjà au 19<sup>ème</sup> siècle dans la phase d'une première apogée du capitalisme rationnel et de l'unification d'un savoir économique autour de la pensée classique, puis de la révolution marginaliste, l'économie capitaliste et l'économie politique faisaient-elles l'objet d'une même critique « culturaliste » ou institutionnaliste de la part de l'école historique allemande. Contre la généralisation d'un modèle d'économie politique accusé d'être précisément le contraire d'une science politique, soit d'être une science acosmique (sans monde), ce courant affirmait l'inscription de l'économie dans les cultures nationales et locales : autant de cultures, autant d'économies.

Max Weber, qui sera dans cette communication notre auteur de référence, a fait la généalogie du capitalisme contemporain depuis l'éthique protestante, voyant dans ce capitalisme rationnel une culture avec son « esprit », marqué par l'efficacité du choix rationnel et du calcul économique, qui a sélectionné un type d'hommes aujourd'hui dominants, « spécialistes sans esprit, jouisseurs sans cœur » (*L'éthique protestante...*, 2003, Gallimard, Paris, p.252) : cet esprit religieux – qui a toujours été le noyau de toute vie culturelle – de « l'ascèse chrétienne » (p.249) s'est dissout « dans le pur utilitarisme

» (p.253). C'est l'hypothèse de la sécularisation qui est implicite à cette thèse wébérienne : la rationalisation de nos conduites de vie sous l'effet d'un processus de sélection des comportements les plus efficaces aurait vidé celles-ci de leur esprit, ne laissant place qu'à « des passions purement agonistiques » (p.251), devant. S'accompagner d'une baisse de la conflictualité selon la lecture de Marcel Gauchet (1985). Or, contrairement à l'affirmation de cette thèse, l'esprit religieux n'a pas disparu de nos sociétés laïcisées et il continue de faire vivre des cultures qui résistent à la rationalisation marchande de notre monde. D'une certaine manière et paradoxalement, ce sont les problèmes que suscitent des comportements uniquement orientés par le pur utilitarisme (la rationalité instrumentale), à savoir la permanence de formes de pauvreté, l'accroissement des inégalités à un niveau insoutenable, la menace écologique, etc. qui réveillent un besoin de sens et de valeurs irréductibles à l'utilitarisme : l'économie capitaliste ne peut pas à elle seule fonder une culture sécularisée pour l'humanité mondialisée. Au-delà de l'unification capitaliste du monde, qui ne peut résoudre le problème de la bonne mesure de notre rapport aux autres et au monde, il y a toujours place pour la conflictualité de ce que Weber nommait « la guerre des dieux ». Ces « dieux » sont sortis de leurs tombes, des cultures identitaires y puisent de nouveau leur inspiration, s'opposant entre elles mais aussi à la « pax oeconomica » du capitalisme universel. Le projet des Lumières d'une économie pacificatrice par atténuation des différences culturelles a échoué. L'économie n'a pas la puissance de faire table rase des cultures et des religions qui les inspirent. C'est ce que nous nous proposons d'interroger dans ce projet de communication. L'hypothèse que nous étudierons est que le capitalisme n'a pas ce pouvoir parce qu'issu d'une éthique religieuse, comme l'a montré Weber, il n'est qu'un faible substitut d'une religion (Walter Benjamin), et ne peut en conséquence à lui seul constituer une culture.

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## Session 4: Values, utilities and social welfare

### Cultural Reality and Metaphysics in Economics: A Contemporary Phenomenological Approach of Economic Facts

**Dimitri Lasserre**

Searle (1995) distinguishes two kinds of facts: brute facts on the one hand and institutional facts on the other. This distinction might be a consequence of the traditional philosophical dichotomy between nature and culture. From this point of view there are natural things and cultural things, and those

different things are likely to be recognized from each other because they are supposed to be essentially different. Then it is not clear what economics neither must study or studies: natural or cultural reality?

We first argue that the distinction between nature and culture comes nowhere else but from the legacy of the fact/value dichotomy. Yet it is at least a metaphysical and arbitrary distinction that should logically collapse (e.g. Putnam, 2002; Hausman and McPherson, 2006). Then we show that this distinction is based on a metaphysical confusion, that there is nothing like two different realities: a cultural and a natural one. This philosophical and epistemological distinction no longer survives as soon as reality is considered from a phenomenological point of view (Benoist, 2011, 2017). It means that one must leave behind the idea that cultural facts are constructions built upon "brute" (Anscombe, 1958) or natural facts (Ferraris, 2012, 2016).

Economics, as any science, deals with a sort of reality, which is essentially and logically cultural. What matters then is the adequation between what economics says about this reality and what can be observed in this reality. The consistency of this adequation depends on the ability of hypotheses and theories to provide good explanations or predictions. Yet economics has to deal with one more difficulty: it has to choose within the cultural reality facts that are seemingly relevant. This choice depends on what seem to be relevant facts to economists and, at last, on their beliefs and Weltanschauung (Kuhn, 1962; Camagnolo and Gharbi, 2017). Thus a method to discriminate relevant facts from irrelevant facts remains to be built.

## Interpersonal comparison of utilities as a case study: the role of values of economists and economic agents in economics

**Nestor Lovera**

The distinction between the value judgments of economists and those of economic agents is not clear in the literature of welfare economics and social choice theory. The importance of making this distinction lies in determining not only whether economists can make value judgments in their professional work, but also determine how value judgments may be crucial to justify the economic agents' preferences. On the one hand, I am going to study the role of value judgments of economists in economics expertise based on Mongin (2006), who proposes four theses to analyze the degree of neutrality that an economist may have when he does his professional work. On the other hand, I am going to examine the role of value judgments of economic agents in the justification of their preferences based on Dietrich & List (2013). In essence, I am going to analyze this distinction, not in separated but a related way.

Mongin's theoretical framework is based on the study of economic evaluations, which may be judgments of fact or judgments of value. He focuses on specifying the elements that make up judgments of value (sentence, statement, utterance, or inscription and judgment). This first step in his analysis is essential to doing the difference among evaluations, prescriptions, and obligations. The next step in Mongin's groundwork is to make a difference between thin and thick predicates, which are crucial to define the nature of the evaluative predicates.

Dietrich and List not only focus on 'capturing the relationship between an agent's motivating reasons and his or her actual preferences' but also try to study the 'relationship between an agent's normative reasons and the preferences he or she ought to have' (2013, p. 18). So then, they take the same formal framework to analyze the reason-based explanations and the reason-based justifications of agent's choices. However, as it is well known, a motivating reason explaining a preference is not necessary, a normative reason justifying it.

I am going to use the topic of Interpersonal Comparisons of Utility (ICU) to discuss the distinction between the value judgments of economists and those of economic agents. For this purpose, I focus on the analysis of Harsanyi's impartial observer theorem that gives us a framework about the possibility of doing ICU without doing value judgments. With attention to the impartial observer theorem, I am going to examine why it is crucial to know who assumes this role: an economist or an economic agent 'x'. The importance to determine who assumes the role of an outside observer is a question that makes sense when we aim to study the role of value judgments, either in a framework where an economist tries to recommend a specific action in benefit of the general social interests or in the case of studying how the value judgments may influence the social decisions of economic agents.

The choice of Harsanyi's framework is due to the fact that it allows studying how an economist can claim that ICU are not based on ethical or political value judgments on the ground that individual's preferences are based on impersonal attitudes (extended preferences) guaranteed by the existence of an impartial observer. Thus, interpersonal comparisons of utility are possible because Harsanyi assumes that the same basic psychological laws govern individuals' choice behavior and preferences. These common laws among individuals are causal variables, which Harsanyi (1955, 1977) defined as factual information, for instance: the individuals' psychological, biological, social and cultural characteristics and the general psychological laws governing human behavior.

Harsanyi attempts to avoid the use of value judgments when interpersonal comparisons of utility are made. Thus, his main achievement is to keep closed the Pandora's box that represents value judgments in economics. However, the extended preferences' proposition has its limits, which have been studied by authors as Broome (1993), Mongin (2001), and MacKay (1986). The criticisms made by Broome and Mongin reveal that subjective attitudes cannot be "objectified" when ICU are made. However, none of these propositions highlight who takes the role of the impartial observer because they are focused on demonstrating that values have to be part of the analysis but not who makes these value judgments. For this purpose, I examine the analysis made by MacKay, who presumes that economists cannot assume the role of impartial observer because of their values could be intermingled with those of the economic agents. [1]

In brief, the Mongin's framework (2006) will be useful to study the case when the impartial observer is an economist. Mongin proposes an analysis to determine if economists make judgments of fact or judgments of value, which will be crucial to know when economists can relate objectively to values. With attention to causal variables, the Dietrich & List's framework (2013) will be useful to demonstrate how Harsanyi justified the individuals' preferences through motivating reasons and not normative ones.

[1] The hypothesis defended by Broome is that 'a cause of preference must not be mistaken for an object of preference' (1993, p. 59). Broome's objection is based precisely on the role of value judgments of individuals that Harsanyi had avoided with his hypothesis that the same psychological laws govern individuals.

Mongin enunciates a weaker version of the Impartial Observer theorem, which excludes the Uniformity of Extended Preferences.

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## Use and abuse of Weber's methodology by value-free economics

### Aleksander Ostapiuk

For many years neoclassical economics has been criticized from psychology (behavioral economics), sociology (institutional economics) and philosophy (philosophy of economics). However, no better paradigm has been proposed yet. The goal of this research is not to provide one but to analyze the problems with economics by using a Weberian lens. It is a framework that can shed new light on the limits of neoclassical economics because two of Weber's methodological claims are its foundations: 1. Ideal type, 2. Value-free science. The goal is to check whether economists misunderstood Weber and if so how economics can be improved by incorporating Weber's insights.

The best example how economists perceive ideal type and value-freeness is Becker's economic approach where neoclassical economics' assumptions are pushed to the extreme (homo economicus, revealed preference theory). Firstly, he argues that people maximize utility both by egoistic and altruistic behaviors. Secondly, he perceives rationality in instrumental sense where the process of achieving goals is important, not goals themselves (e.g. rational drug addict). Thanks to axiomatic assumptions of rationality and agnosticism towards human motivations some economists still perceive themselves as value-free engineers.

#### Weber's methodology

Weber is analyzed because many economists perceived him as a father of value-free economics. Moreover, ideal type suits economists who use unrealistic models that are designed to predict and are perceived as value-free tools.

Firstly, Weber did not think that scientists can be completely value-free. He makes a distinction between methodological and instrumental value judgments. In science, we should rely on “instrumental value judgments” (e.g., empirical data or logic). However, in the end we cannot escape from using “methodological value judgments” (e.g. revealed preference theory).

Secondly, Weber perceives ideal type as methodological construction which is based on some fictional assumptions about people or reality. He underlines that ideal type is an instrument, not a description of reality. Moreover, he cautioned against perceiving ideal type as a paragon (e.g. ideal type of Nazism). Ideal type should be used as a benchmark (comparing reality with ideal type). In general, Weber perceives ideal type as a heuristic device that should predict and explain.

## Ideal types in economics

Economists believe in their ideal types. In economic approach economists should not decide whether people are egoistic or altruistic. However, economists are only people and they have opinions on human nature and the world. Kuhn argues that theories are lenses by which scientists look at reality. The conception of performativity shows that ideal types used by economists are not value-free tools. Models not only describe but they also shape the world. Moreover, "The limits of my language mean the limits of my world" - when we perceive children as 'consumer good' we think about costs and benefits of having them not about love. Economists also "mistaken beauty for truth" and they believe in elegant mathematical models.

Immunity from criticism. By perceiving rationality in instrumental sense and utility ad libitum economic models look like Platonist models. The ideal type of homo economicus cannot be used as a benchmark because rationality and utility are tautologies. By definition people always maximize utility and are rational. The previous conception of homo economicus with perfect rationality was different (Knight). We could compare whether people are rational or not. It is no longer a case because in economic approach even myopic addict is rational. Neoclassical economics absorbs every descriptive criticism. Economists can argue that people give back a founded wallet to the police because their preference is to be moral and giving wallet back maximize their utility. The immunity from descriptive criticism leads economists to hubris and reluctance towards methodological pluralism.

Instrumentalism. Economics focuses on prediction. However, it is not enough for theory only to predict (e.g. Ptolemaic theory). It should also explain. In science different tools are used for different goals (hammer vs barometer).

Homo economicus - prescriptive model. In the last years economists have incorporated knowledge from psychology, sociology, etc. (reverse imperialism) but homo economicus is still in the center. However, now it is perceived as prescriptive, not descriptive model. Behavioral economists look for purified preferences and they argue that this how people should behave.

## Problems

The ideal type of homo economicus seems as value-free framework but it has an influence on reality.

Firstly, understanding utility ad libitum, where is no distinction between values, does not mean that economists are value-free but it leads to a particular perception of human nature - psychological egoism. Becker gives the example of a wife who behaves 'altruistically' and lets her husband read before sleep because it maximizes HER utility. Economics' moral relativism is often used to justify selfish behavior ("greed is good").

Secondly, economists treat welfare with revealed preferences as descriptive theory. It leads to many problems (e.g., Pareto Optimum and inequality, fetishization of GDP, consequentialist cost-benefit analysis).

Thirdly, economics' theory supports free market (more options=better) and negative freedom (people have autonomous preferences). Therefore, state shouldn't interfere. Moreover, economists perceive capitalism as ideal where invisible hand always works.

## Weber's advice

If economists cannot escape from 'methodological value judgments' they should put them on the table. Economists should realize the normativity of their assumptions which are treated as positive (e.g., welfare, instrumental rationality). It can be done thanks to genealogy of economics. It is essential



to understand the role of social factors because values and interests of economists are hidden in disguise of objectivity.

Economists should perceive ideal types only as instruments, not coverings laws that claim universal applicability. Therefore, economists should build models for specific purposes. Moreover, prediction is important but understanding people's motivations and values is also important (*verstehen*). Secondly, models are not value-free tools. They are like stories and sometimes we can forget that it is only a story. The ideal type of *homo economicus* started to live its own life. Although it was designed as a value-free concept, most social scientists (also economists) see it as a fully egoistic calculator which chooses the best option. Economists to protect themselves from confusing metaphor with reality need to scrutinize their ideal types.

## Values in Welfare economics

**Antoinette Baujard**

This paper focuses on the inner rationale and consequences of four different archetypal positions regarding how ethical and political values are tackled in welfare economics. Welfare economics is standardly associated with the welfarist framework, for which social welfare is based on individual utility only. Beyond this, we distinguish the value-neutrality claim – for which ethical values should be and are out of the scope of welfare economics –, the value confinement ideal – for which ethical values are acceptable if they are minimal and consensual –, the transparency requirement – for which any ethical values may be acceptable in the welfare economics framework if explicit and formalized –, and the entanglement claim – which challenges the very possibility of demarcation between facts and values.

## Session 5: Taxes, money, cultural sentiments

### An Important Philosophical Dispute in Toronto: Lonergan, Gilson and Anticipations of Critical Realism and MMT in Economics

**John Smithin**

This paper discusses the debate between two Catholic philosophers, both with strong connections to Toronto. These are Bernard Lonergan, the author of *Insight*, late of Regius College, University of Toronto, and Etienne Gilson, late Director of the Pontifical Institute for Medieval Studies (PIMS), University of Toronto. In the first place, this debate is of great interest from the Canadian Studies point of view, as part of the reconstruction of the general intellectual and cultural environment in Toronto in the mid-twentieth century. For example, the famous public intellectual Marshall McLuhan emerged from the same milieu. The substantive philosophical issue at stake is that of philosophical realism - championed by Gilson - versus the critical realism of Lonergan. In economics, also, there has been much discussion recently about the interface between critical realism (CR) as applied to economics, and modern money theory (MMT). There are various dissertations completed, in progress, or at the planning stage on this topic. The Lonergan/Gilson debate clearly anticipated the later secular/scientific discussion around CR. Moreover, in both the early stages of his career, and again after retirement, Lonergan himself turned his attention to monetary macroeconomics, in ways that similarly seem to anticipate some of the issues discussed in MMT. There are two volumes in the *Collected Works*; namely *Macroeconomic Dynamics: An Essay in Circulation Analysis* and *A New Political Economy*.

## George Simmel versus Viviana Zelizer. The polemic with Viviana Zelizer's view on George Simmel's theory of money

**Marlena Rycomb**

Viviana Zelizer has proposed one of the most renowned present-day money theories that is founded on a polemic with the George Simmel's classic theory of money (Zelizer 1994). American sociologist built the relational theory of money by referring to ethnographic examples concerning personal budgets and delegalisation of grassroots money emission that occurred at the turn of the XIX and XX centuries. The researcher has shown that money, in terms of social relations, has a bond-forming power. Zelizer has also spectacularly come to the idea of multiple monies, which states: there is no one idea of money, there is plethora of various money with specific attributes. The social actors use money in their own individual ways and they attribute special meaning and significations to particular transactions (Zelizer named this process by a lexeme earmarking). Zelizer has highly criticised the intellectual mechanism that reduce the diversity of forms and emissions of money into the one universalist notion of money. Thereby the sociologist disputes the classic money theory introduced by George Simmel in his seminal thesis 'The Philosophy of Money'.

George Simmel in his work employed concepts typical for the anthithetic discourse of modernisation paradigm that is based on strict differentiation between premodern agrarian societies and industrial societies (Karalus 2018). This feature sets Simmel among fellow authors like Durkheim, Marks, Elias and Weber. Modernist style is visible in his enumeration of the hallmarks of modern money. In George Simmel view money weakens family and social ties. Also money transmutes informal and unselfish relationships into formal and lead by self-interest, emotional into rational, subjective, and quantitative into objective and qualitative. The author understands money as a impersonal, cold and neutral tool, thus the use of money in close relationship appears as problematic. Zelizer strongly rejects such an understanding of money by displaying how using it can be a token of love in close relationships.

Not only Zelizer expressively reflects Simmel's theory of money. An interesting example of critique comes from anthropologists Maurice Bloch and Jonathan Parry. They assume that Simmel treats money as a tool, which destroys social ties, while Bloch has observed that Imerina community represents an affirmative and bonding approach towards money in close relationships (Bloch, Parry 2005; Bloch 1989). Also Ariel Wilkis, inspired by Zelizer, has built his theory of heterogeneity of money, in contrast to homogeneous money theory of Simmel (Wilgis 2017). Moreover Marta Olcoń-Kubicka claimed that Simmel's money theory is outdated and cannot be applied to the depiction of present-day money; the sociologist referred to Zelizer to support following statement: Simmel has created universalist theory focused on market money which, indeed, instrumentalise social relationships, while it has to be remembered there is a dizzying array of non-market money (Olcoń-Kubicka 2015).

It is rarely admitted that George Simmel wrote also about money as a bond-forming tool. The sociologist argues that modern money allows to establish new types of communities that are no longer based on family ties but assemble on the foundation of more abstract ideas – new groups come together based on various identities like occupational, corporate, or national identity, et cetera. In my opinion the money theory of Simmel is viewed through the lens of Marks' commodity fetishism, which profoundly distorts Simmel thought. Such a reading leads to overcoming those moments of Simmel's reflections in which he distinctively claims that money not alienates, but pushes to create new forms of communities and broadens the freedom of individual – thanks to modern money one can choose communities they want to belong to.

The basic and serious error of the Zelizer's critique on Simmel work is the ill-fated intermingling of societal with individual order (Górniak 2000, Borcuch 2010). While Simmel surveyed money in macroscale, Zelizer rather prioritised microscale. Relational theory of money focuses on money usage in close relationships. Simmel drew his attention on Western modern money and its role in society modernisation.

The issue of money in Simmel's reflection is much more complex than Zelizer depicts it. The complexity should be stressed and simplicity of Simmel's work interpretations should be overcome. I want to emphasise that 'The Philosophy of Money' is a useful book still worth-reading today as prompts to ask significant questions if money has universal features or not and its role in globalisation. The aim of my conference presentation is the indication of those moments in Simmel's theory of money that are contradictory to polemic remarks of Zelizer.

## The Strange Case of Dr. Taxpayer and Mr. Charity: Culture of Giving and Tax Percentage Institutions

**Paolo Silvestri**

The "Tax Percentage" systems, better known as "Percentage philanthropy" (PP), are a particular type of fiscal institutions or tax schemes by which taxpayers can freely designate a certain percentage of their income tax to entities whose main activity is of public interest (Churches, Non-profit sector, etc.). Such institutions came into force in some Southern and Central-Eastern European countries – Italy, Spain, Portugal, Hungary, Romania, Poland, Slovakia, Lithuania – many years ago. The first institutional model, the Italian "8x1000" or "Otto per mille" (0,8% of income tax to Churches/State), has been in force since 1985, and a second model, the "5x1000" (0,5% of income tax to Non-profit and Non-governmental organization, Scientific research and Universities, Health research, Local municipalities, etc.), was enacted in 2006. To get an idea of the extent of the phenomenon, and limiting ourselves to the Italian system, consider that, every year, half of the taxpayers choose to allocate this share of income taxes, and that, in this way, about € 1.3 billion are redistributed mainly to churches and the third sector.

This notwithstanding, the logic behind these type of institutions is not yet fully understood, and very few scholars have attempted to provide an explanation of them. Robert Sugden (2018), has recently provided a theoretical and behavioural account of the Italian "8x1000" in terms of liberal and "contractarian approach to the provision of public goods" (ibid.: 171), and, more generally, as one of those forms of regulation that "would be justified as ways of expanding opportunity for mutually beneficial transactions" (ibid.: XI). Other studies, mainly focused on Central and Eastern European Countries (Bullain 2004, Török&Moss 2004, Gerencsér&Oprics 2007), have instead read this mechanism in the light of its main institutional, economic and social purposes, corresponding more or less to the reasons governments and NGOs have used in campaigning for its adoption. The implementation of these institutions was expected to develop or foster: organized civil society, the culture of gift-giving and altruism, fiscal democracy, the outsourcing of public goods and services (from the welfare state to the third sector) and, last but not least, the transition from passive and assisted citizenship to active citizenship.

In this paper I will attempt to provide a broader theoretical account, susceptible of further empirical investigations, to explain how and why the PP system is a "strange case" from a cultural, institutional and behavioural point of view. Its hybrid characteristics, in order to be understood, would need a new language as well as new analysis that goes beyond classic dichotomies such as state vs. market,

voluntary taxation vs. tax coercion, civil society and / or voluntary sector vs. welfare state, taxation vs. charity, self-interest vs. altruism. In particular, I will put forward three interconnected theses. 1) Notwithstanding the apparent similarity between the formal rules governing such institutions in different countries, it is not possible to explain their different degrees of success as well as their unintended consequences, which went well beyond legislators' intentions, without taking into account the cultural dimension in which such institutions were implemented; 2) from an institutional perspective, I will argue that the PP implements a new type of: 2.1) tax-allocation without representation; 2.2) institutionalized gift-giving, and show why institutionalized gift-giving is not an oxymoron. 3) From a behavioural perspective, I will argue that taxpayer's choice of giving, however 'narrow' and/or 'constrained', can be framed and understood as: 3.1) a quasi-voluntary taxation implying two kinds of freedom: autonomy and choice; (2.2) a gift-without-sacrifice. Finally, I will mention some preliminary findings of an ongoing empirical research that corroborates these theses.

## Session 6: French session

### Choix préférentiel, action logique et éthique communicationnelle

**Jean Mercier Ythier**

L'explication des pratiques des agents économiques ne peut être dissociée de leur évaluation normative. Ce fait s'exprime notamment par le recours au choix préférentiel, et particulièrement au choix rationnel, entendu comme choix préférentiel réfléchi et délibéré, pour l'explication de l'action et plus généralement des pratiques dans les domaines de l'économie, mais aussi des sciences sociales ou politiques.

Nous soulignons le fait qu'en raison de la possibilité logique et pratique de préférences incomplètes ou d'indifférence, l'explication de l'action par les préférences ne peut être complète en toute circonstance, et doit donc laisser une certaine place à des déterminants non-préférentiels. Pour les mêmes raisons, les préférences de l'agent ne peuvent être, en général, inférées à partir de la simple observation de ses actes dans leur contexte. Elles ne peuvent être parfaitement connues de l'observateur que par leur description sincère et complète par l'agent lui-même, et donc par un fait de communication intersubjective, très différent dans sa structure de la relation sujet-objet que présupposent les faits d'observation des sciences de laboratoire.

Cette donnée logico-pratique, bien connue quoique débattue, place l'éthique de la communication au centre des jeux de langage de la théorie de l'action.

Dans le cas de préférences incomplètes, le choix préférentiel rationnel peut être caractérisé par la maximisation de préférences binaires, réflexives et acycliques. L'acyclicité de la relation de préférence est nécessaire et suffisante pour l'existence d'un élément maximal en toute circonstance de choix pratique. Nous qualifions cette première définition du choix rationnel de "robuste", tout en soulignant le caractère de fragilité qui s'y attache. A l'image du roseau pensant des Pensées de Pascal, l'agent doté de préférences bien définies sur des alternatives correctement identifiées est robuste par son ancrage réussi dans l'existence, fragile par sa dépendance à ce qui l'environne.

On souligne que les déterminants non-préférentiels de l'action ne peuvent être négligés, en général, dans une explication correcte de l'action dans ces cas de figure, et que, parmi ceux-ci, les règles de décision de type prudentiel doivent certainement occuper une place importante. Les éléments de délibération collective qui accompagnent par ailleurs très généralement le choix préférentiel peuvent

porter, notamment, sur le choix d'une règle de décision ou de son interprétation dans le contexte de l'action. On suggère que les normes d'action communicative de Jürgen Habermas peuvent être utilement mobilisées pour formuler ce type de choix collectif.

Lorsque les préférences sont complètes, le choix préférentiel rationnel peut être caractérisé par l'optimisation de préférences complètes et transitives. Ces propriétés de la relation de préférence sont nécessaires et suffisantes pour les propriétés d'exactitude et de transparence du choix préférentiel robuste, c'est-à-dire pour l'unicité de la classe d'indifférence optimale, et pour la coïncidence de la préférence et du choix, en toute circonstance de choix pratique. Elles définissent le périmètre des actions logiques. C'est au point où la construction se rapproche le plus d'une explication complète de l'action par les préférences qu'elle acquiert en même temps le plus nettement les caractères d'une construction normative à tendance prescriptive.

On note également que la fonction de choix de l'agent rationnel est un concept quasi-comportemental, au sens où l'observation de l'action ne permet de connaître la préférence de l'agent qu'à l'indifférence près. La nécessité de passer par un acte de communication intersubjective valide pour obtenir une connaissance complète des préférences de l'agent reste donc entière, dans son principe, pour les actions logiques.

Le caractère expressif des actions logiques introduit la possibilité de l'extension, à l'action collective, de la norme du choix rationnel, sous la forme d'un type particulier de norme d'action communicative que nous désignons, à la suite de Serge Kolm (1985), sous le nom de contrat social libéral.

Les normes d'action communicative sont des constructions intelligibles qui rendent les interactions humaines à la fois déterminées et prévisibles, si (et dans la mesure où) elles s'actualisent dans des pratiques conformes. Elles définissent, en d'autres termes, le concept d'interactions humaines praticables parce que communicables.

## Les humanités dans les universités et les dérives de la logique marchande dans la culture-monde

**Daniel Blaise Noubissie Tchamo**

Dans l'économie de marché, la domestication de toutes les sphères de la vie culturelle par le langage économique, dans une approche fictionnelle du « tout marchand », partout dans le monde a donné lieu à une culture-monde de la marchandisation omniprésente des savoirs, préjudiciable à l'enseignement des humanités, notamment les arts libéraux, dans l'enseignement supérieur. Les dérives de la logique mercantile de la culture-monde s'inscrivent dans une démarche productiviste d'appauvrissement des pans des autres variétés des autres cultures là où elle pense les enrichir économiquement. Nous soutenons que si toutes les sphères de la formation académique tendent à devenir des enjeux mercantiles et qu'il faille fermer à défaut de travestir la Faculté des humanités parce qu'elle ne rapporte ni emploi ni argent alors l'expression de la déshumanisation et d'occidentalisation négative planétaire devient permanent dans la culture-monde du marché dominée par un processus de réification et d'aliénation de l'Homme. La logique productiviste tournée exclusivement vers le profit ou la rentabilité économique qui tend à vider la Faculté de lettres, arts et sciences humaines et sociales de la réflexion sur le substrat qualitatif humain n'est-elle pas une négation de l'économie comme une science morale ? Comment professionnaliser les enseignements des humanités avec le vocabulaire et l'esprit du commerce sans les travestir ? Ne revient-il pas à la spécificité des humanités dont la Faculté des sciences humaines et sociales assure le développement,

de dispenser, d'éduquer, de former les hommes, l'homme intégral pour amener les sociétés à guérir de la crise de la culture-monde qui affecte les civilisations du monde?

## Les mécanismes culturels de la repression economique

**Sylvestre Ngouo Ndadjo**

La culture telle qu'elle se révèle dans les pratiques communes des peuples, s'affirme comme une arme de résistance dirigée contre les menaces et les forces oppressives étrangères de nature culturelle, économique, etc. Cela fait que la spécificité culture passe pour être la voie de l'autonomie, de l'auto-puissance et du progrès, aussi bien socioculturel et politique qu'économique. Il n'est pourtant pas sûr que cette situation soit vérifiée si on associe spécificité culturelle et calcul économique dans une logique de production capitaliste ; car à l'opposé de ce que soutient Huntington, précise Samir Amin, l'enfermement culturel n'est pas la fabrique de l'identité, et encore moins celle du progrès économique. Elle est en revanche un instrument capitaliste de production d'une psychologie du rejet de la culture et des principes capitalistes[1], ainsi que du blocage du développement autocentré du mode capitaliste dans certaines formations sociales et de leur maintien dans la périphérie et l'esclavage économique[2]. Mais comment la culture au moyen de laquelle on résiste et se bat contre toute forme d'oppression, sert-elle de mécanisme à la domination et l'exploitation capitaliste la plus violente ?

La non assimilation de la culture capitaliste empêche-t-elle réellement l'intégration capitaliste et son développement autocentré et autodynamique achevé dans les sociétés hostiles à elle ? En analysant par exemple le modèle économique chinois actuel, ne sommes-nous pas forcé d'admettre que le capitalisme qui certes définit sa propre culture, peut se développer, et de façon plus conséquent encore, sur la base d'une culture non capitaliste qu'il assimile par la suite et impose la sienne propre qui s'y révèle profondément transformée ?

La thèse développée ici entend démontrer que chaque système économique lorsqu'il domine, fabrique certes sa propre culture, mais que ses mutations et son progrès historique dépendent des impulsions et des émulations que lui inspirent les dynamismes culturels des peuples qui à tour de rôle le démystifient à un certain stade de leur développement historique. Toutes les cultures ne sont cependant pas favorables à de telles émulations. Ainsi, la culture capitaliste peut se retrouver dans certaines économies périphériques avec une telle modification qu'elle apparaît étrangère et même en contradiction avec sa forme centrale originelle, comme c'est le cas actuellement en Chine. Là, elle se combine à la culture locale et dissimule l'exploitation capitaliste la plus monstrueuse dans l'illusion d'une économie de transition ou alternative, précisément là et au moment où le système devient plus central qu'il ne l'a jamais été.

Il ne s'agit cependant pas de défendre les thèses de Karl Polanyi[3] et de Max Weber[4] que Huntington[5] reprend à son compte, selon lesquelles pour comprendre les fondements de nos rapports de production et nos comportements économiques, il faut recourir aux éléments culturels et religieux qui nous définissent. La thèse des fondements économiques de nos systèmes idéologiques et culturels, bref superstructuraux, nous paraît plus pertinente. Les dynamismes culturels qui inspirent au système dominant ses émulations de développement sont donc ceux des économies auxquelles s'impose l'économie dominante dont l'aspiration est de devenir pur et exclusif à l'échelle du monde[6].

[1] Cf. Amin S., « Pour une stratégie de la libération », in Laënnée Hurbon, (dir). Les transitions démocratiques. Actes du colloque international de Port-au-Prince Haïti, Paris, Syros, 1996.

[2] Cf. Amin S., *Le Développement inégal. Essai sur les formations sociales du capitalisme périphérique*, Paris, Les Editions de Minuit, 1973.

[3] Cf. Polanyi K., *La grande transformation. Aux origines politiques et économiques de notre temps*, trad. franç. Catherine Malamoud, Paris, Gallimard, coll. « Bibliothèque des sciences humaines », 1983.

[4] Weber M., « Les sectes protestantes et l'esprit du capitalisme », in *L'éthique protestante et l'esprit du capitalisme*, trad. franç. Isabelle Kalinowski, Paris, Flammarion, coll. « Champs classiques », 2000, pp.305-342.

[5] Cf. Huntington S. P., *Le choc des civilisations*, trad. franç. (S/D) Jean-Luc Fidel, Paris, Odile Jacob, 2000.

[6] Cf. Karl M., *l'idéologie allemande*,

## Session 7: Social norms and economic preferences

Did Faust freely sign? Preference formation, positive freedom, and consumer sovereignty

**Guilhem Lecouteux**

The starting point of the paper is an exchange between Faust, Mephistopheles, and the Princes of Darkness in Berlioz's *La Damnation de Faust*. After being told by Mephisto that Marguerite is going to get executed for poisoning her mother, Faust accepts to sell his soul to save Marguerite's life. Mephisto then claim in Hell that Faust 'freely' signed the fatal deed. Faust was indeed free to the extent that he was not coerced to sign. Two objections can however be raised: (i) do we still make 'free' choices in moments of despair, as Faust was when he accepted (suggesting a possibly non-enlightened consent), and (ii) was it a 'free' choice knowing that his love for Marguerite was intentionally triggered by Mephisto, who merely intended to push Faust to the kind of despair he eventually found himself in?

The aim of this paper is to question the meaning of 'freedom of choice' when agents' preferences are not 'integrated' (i.e. deviate from the standard model of context-independent, internally consistent, and exogenous preferences). This point is indeed a central claim of libertarian paternalism (Thaler and Sunstein 2008), as nudges are supposed to (i) improve the agents' well-being, as judged by themselves, (ii) while still respecting their freedom of choice.

The main line of argument is that while libertarian paternalism relies on a negative notion of freedom, the issues of preference endogeneity highlighted by behavioural economics require a positive notion of freedom. The inconsistencies observed in individuals' behaviours can indeed be represented by the existence of multiple selves (each of them being a 'rational' agent on its own), either explicitly (with multiple selves models, e.g. for intertemporal choices) or implicitly (relying on the model of the inner rational agent trapped in an outer psychological shell, Infante Lecouteux and Sugden 2016). Imposing one of the several selves of the agent as the 'true' self, whose preferences are of normative relevance, is violating consumer sovereignty – as we deal with the internal sphere of liberty of the agent, i.e. the formation of her own preferences.

What we need here is a non-welfarist approach, that gives some normative significance to the process itself of preference formation. Starting from Sunstein (1991) distinction between autonomy (in the process of preference formation) and welfare (in the process of preference satisfaction), I propose to



locate issues around negative freedom at the stage of welfare and preference satisfaction, and positive freedom at the stage of autonomy and preference formation. From this perspective, libertarian paternalism cannot be genuinely libertarian, since it limits the agent's positive freedom by imposing the preferences of her inner rational agent (Lecouteux 2016). I then argue that a 'libertarian' alternative to nudges should aim at enhancing both the processes of formation and satisfaction of the agents' preferences.

A key contribution of an approach based on preference formation rather than merely preference satisfaction is its significantly different perspective on behavioural 'biases'. Indeed, while libertarian paternalism locates in individual cognitive biases the source of the agent's 'mistakes' (which in turn justifies paternalistic interventions in the agents' own interests), it overlooks the various socio-historical and cultural influences that shape people's preferences and behaviours. For instance, rather than considering that obesity or smoking are caused by a lack of self-control (meaning that it is the agent who is in fine responsible for her addictions), we should also consider the active role of marketing campaigns in the development of such preferences, as well as broader social dynamics such as poverty. Dealing with the ex ante causes of harmful behaviours rather than merely correcting ex post such behaviours may also be fundamentally a more effective public policy.

Embedding the agents in their broader institutional context offers new perspectives on behavioural public policies. Rather than trying to nudge individuals so that they can behave as standard economic agents, we have good reasons to implement more ambitious policies aiming at enhancing individuals' autonomy (e.g. by emphasizing the role of gender stereotypes, traditions, and other social influences in the formation of individuals' preferences and aspirations – see Lecouteux 2020 for a typology of such policies).

As for Berlioz's Faust, it seems that he seriously lacked autonomy at the stage of preference formation, and has therefore scope to argue that he did not 'freely' sign. This is however probably less the case for many others of his alter ego, such as Marlowe's or Goethe's Faust, who agreed to Mephisto's deal by temptation rather than despair.

## The Feminisation U, Cultural Norms, and the Plough

**Luca J. Uberti**

The feminisation U describes the tendency of female labour force participation (FLFP) to first decline and then rise in the process of development. Long considered to be a 'stylised fact', the feminisation U is actually supported by mixed evidence. This research identifies an important source of heterogeneity in the shape of the feminisation U across countries – the cultural norms and values engendered by the adoption of the plough in pre-industrial times. In line with existing theoretical accounts of the U-curve, which suggest that initial conditions are critical, we find evidence that a tradition of plough use intensifies the U-shaped path of FLFP. Based on a dynamic panel-data estimator, we find evidence of a significantly U-shaped path of FLFP in countries with a history of ancestral plough use, but no such relationship in 'non-plough countries'. We also explore, and rule out, other potential drivers of heterogeneity (e.g. the timing of the Neolithic revolution), and investigate empirically the causal mechanisms that generate the feminisation U in plough countries. Our results address the empirical controversy surrounding the feminisation U, while shedding new light on the long-run effects of plough adoption.

Our analysis is based on a large panel of 171 countries for a period starting in 1990 and running until 2014. We use data on female labour force participation from the International Labour Organisation,



and other sources of data to investigate the relative role of short and long-run factors on this outcome variable.

In recent years, the literature on female labour participation has grown exponentially. However, this has been through the development of separate strands proposing contrasting explanations behind the differences in observed levels of female participation in the labour market. To the best of our knowledge, there has not been any attempt to date at integrating these strands. Two strands of literature in particular stand out. The first strand of research has focused on explaining the emergence of cross-country variations in gender norms with reference to historical events from the distant past – e.g. the timing of the Neolithic (agricultural) revolution, the timing of the adoption of the plough, or with reference to early differences in attitudes crystallised in the treatment of gender in languages. This strand of literature has thus emphasised persistence and transmission of cultural norms has a central explanatory factor behind gender roles. The “plough” argument, for example, claims that the plough as a technical innovation brought about a gendered division of labour which, in turn, gave rise to deep-seated norms about the “appropriate” role of women in the economy. Subsequently, these norms have persisted to the present day and continue to shape country-level gender norms in cross-sectional analyses.

Focusing on short-run effects instead, a second strand of research has investigated the extent to which female labour force participation changes dynamically through the process of economic development. The so-called “feminisation U” has become a stylised fact in development economics, the idea being that women's labour force participation declines in the early stages of industrialisation and rises again as a middle-income economy becomes more tertiarised and graduates into the high-income band. The crux of the argument here is thus placed on short-run economic factors, shaping the societal acceptability of female labour participation. The validity of the “feminisation U”, however, has been disputed, with some authors contenting that this U-curve is subject to a typical Kuznets-type fallacy.

These two literatures, however, have not “talked” to each other very much. So far, there has been no attempt to investigate short- and long-run determinants simultaneously in a panel data framework. Here, we thus propose to fill this gap, and to do so using a “system” GMM estimator on panel data covering 171 countries for the period 1990-2014. Our analyses first integrate the two broad strands of literature discussed above, by evaluating the relative role of short- versus long-run factors in driving differences in female labour participation rates. Going further, we also explore possible interactions between short and long-run drivers, by investigating whether the “feminisation U-curve” is confirmed, or differ, in both plough and non-plough descendent societies.

In our analyses, we find that both short- (per-capita income) and long-run (the plough) factors matter, although short-run determinants are more consequential in explaining variation in the rate of female labour participation. In addition to this, we also allow the shape of the U-curve to be different across “plough” and “non-plough” countries. In line with existing theoretical accounts of the U-curve, which suggest that initial conditions are critical, we find that a tradition of plough use intensifies the U-shaped path of FLFP. In fact, based on a dynamic panel-data estimator, our results indicate that a significantly U-shaped path of FLFP exist in countries with a history of ancestral plough use only, as no such relationship is evidenced in ‘non-plough countries’. We also explore, and rule out, other potential drivers of heterogeneity (e.g. the timing of the Neolithic revolution), and investigate empirically the causal mechanisms that generate the feminisation U in plough countries.

Overall, our results address the empirical controversy surrounding the feminisation U, while shedding new light on the long-run effects of plough adoption.

## What are the moral foundations of heterodox schools in economics? Normative tensions or common ground?

**Stefan Kesting**

Though mainstream economics claims to be a positive social science (Friedman, 1953) while relying on neoclassical microeconomics it is implicitly built on individualist (England, 2003), utilitarian (McCloskey, 2016, Hodgson, 2019) and libertarian (Friedman, 1980) normative foundations and on a very specific notion of rationality (Hargreaves Heap, 1989). Alternative economic theories tend to have a dissenting normative pre-analytic vision (Heilbroner & Milberg, 1995: 14) to mainstream economics and to start their analysis based on explicitly different moral foundations and ontologies. Lutz and Lux's Humanistic Economics (1988) is based on Kantian ethics, Amitai Etzioni's Moral Dimension (1988) is founded on Communitarianism, Feminist Economics is very much entwined with the ethics of care (Held, Folbre, 2001 and Nelson, 2006), Original Institutional Economics is normatively based on American Pragmatism (Hodgson, 1988) and Sen's (1992) and Nussbaum's (2000) Capabilities Approach is definitely based on a diverse range of moral sources. However, Ecological, Post-Keynesian, Marxian and Austrian Economics, while less explicitly, do also have other normative foundations and ontologies than mainstream economics. When I became aware to this diverse range of moral foundations of a variety of heterodox schools of economics I used a handful of them explicitly in my module Ethics & Economics which I teach now for seven years. So, in this contribution I want to address the question: "What are the alternative visions of ethics practiced by heterodox economists? Based on the morally annotated run through above and a much more detailed investigation prepared for my presentation at the conference, I certainly expect to come up with an affirmative answer. However, while discussing the ethical foundations of a number of heterodox schools of economics with students in my module, I also noticed a lot of overlaps in the moral constructions of this diverse range of nine heterodox schools. So, I do not just want to pin down and summarise their moral foundations, but also find out where they are interlinked or contradictory. My contribution fits with conference theme (4) economics as a culture.

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## Session 8: Culture and economic growth

### Cultural economics : the cultural entrepreneur as a vector of growth.

#### **Christel Vivel**

The paper will deal with the role of cultural entrepreneur and cultural entrepreneurship in the process of economic development. We want to highlight that cultural entrepreneurship can be viewed as nothing but the introduction of methodology (and ideological principles) of economics into the cultural sphere. But in so doing, whereas cultural entrepreneur appears as a tool to explain the process of emergence and diffusion of cultural knowledge, it also helps to highlight that culture is not only a static and objective sphere. 1/ We will focus on the definition of cultural entrepreneur of Blaug and Mokyr and confront each other. First, we want to compare what is the scope and purpose of cultural economics according to Mark Blaug and what is the contribution of cultural entrepreneur. Then we will compare with the conception of Mokyr cultural entrepreneurship. 2/ We will show then that despite several splitting points between the two conceptions, Blaug and Mokyr share the same methodological posture about the use of economics tools and concepts and to apply them to a non economic sphere. Both recognize that this position is a particular posture of the economic imperialism. But both affirm the cultural entrepreneur is nothing but the agent of change as in the market process. Both highlight that economic theory doesn't have only to integrate cultural elements to contextualize but helps to explain how cultural ideas emerge and evolve.

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## Ideas Shaping the World: Using Text Analysis to Examine the spread of Trade Theories in 19th Century Britain

**Thomas Gerber**

Text has always been a rich reservoir of social and cultural knowledge. Recent developments in various elds have created a new approach to how this knowledge is absorbed and processed. Computational methods used under the term text analysis and supported by many sophisticated algorithms have transformed words into numbers and text into data. This methodological direction seems promising for economists trying to expand economic reasoning by incorporating factors such as narratives or ideas. The increasing digitization of historical documents also allows such topics to be studied over a large period of time. In this paper, the dissemination and role of scientic economic theories will be examined. The focus here is on considerations in the eld of trade theory by the classical economists of the early 19th century. In investigating the spread and inuence of (some of) their theories on political and public discourse over the course of the 19th century, the role of professional narratives and ideas is emphasized and a method extracting such concepts from large textual data is presented.

## Impact of culture of India on the success of pro-market reforms.

**Katarzyna Borzym-Grzesik**

Karl Polanyi claimed, that free market economy imposes the primacy of economic order over social order. He saw it as an incorrect approach, as theorietical assumptions of economic models become principles which societies have to live by. Most of these assumptions are in fact unrealistic and completely detached from actual rules and norms that organize social interactions.

Republic of India, one of the biggest economies in the world, is an example of a country, which in early 90s adapted a set of reforms based on Washington Consensus. Reforms included opening up to international trade, deregulation of industry, privatization of state enterprises and liberalization of flows of capital. On one hand, these changes were considered essential for an economy experiencing inefficiency across all sectors. Without a doubt, reforms resulted in improvement of the performance of the economy. On the other hand, India is still far from solving crucial issues for sustainable development, including excessive pollution or inequalities. The purpose of this paper is to explore the influence of culture on effectiveness of market-based policies. The idea behind Washington Consensus was that solutions which worked for developed economies should be equally effective worldwide. This notion has been widely analyzed with reference to Latin American countries (e.g. by Joseph Stiglitz), which adapted Washington Conensus as a part of Structural Adjustment Programmes. However, India's

case has not been analyzed yet. Culture with rigid social stratification system and ongoing political turbulences and struggle for unity are just a few features that make it utterly different from the context in which Washington Consensus was created. The paper will examine the extent to which culture of India was relevant in success and failure of free-market orientated reforms.

## Inequalities in cultural engagement and economic growth: combining post-Keynesian and cultural economics

**Brenda Dorpalen**

For many years social and cultural factors have been absent in the economic literature. They have been considered as exogenous variables that do not play a role in economic analysis. This has gradually been changing with the emergence and development of institutional and neo-institutional economics, feminist economics, varieties of capitalism studies and cultural economics. Most of them have analysed how different types of institutions influence economic outcomes. Only cultural economics has acknowledged the economic role of culture, putting into the spotlight how its production and consumption impacts on the wider economy, such as on employment and income (Throsby, 2010). Most of the times, this has been done from a short-run perspective.

The seminal contributions by Bucci and Segre (2010) and Bucci et al (2014) explore the relationship between culture and income from a long-run approach. Framed in endogenous growth models, these works analyse how the accumulation of human and cultural capital impact on economic growth. They define cultural capital as the stock of assets, with cultural value, that create a flow of goods and services which might also possess cultural value (Throsby, 1999).

Though these models make significant contributions to the literature, they present several limitations. The main gap is that they are supply-led. This means that they assume that the economy is always in full capacity and that all savings are invested in cultural capital. These assumptions are not realistic from an economic and cultural standpoint. From an economic perspective, they do not acknowledge involuntary unemployment and economic crises. From a cultural approach, they do not recognize that cultural participation could be much higher and that engagement might differ between income groups. Hence, by neglecting the role of the effective demand in the economy (Lavoie, 2014) they overlook the fact that the demand of cultural goods and services might not be equal to their supply, failing to recognise social inequalities in the access to culture.

These vacuums could be addressed by applying a Post-Keynesian approach. This school of economics develops a demand driven insight, both in the short and in the long-run. This means that aggregate demand defines the supply-side determinants of long-run growth (Palley, 2003, Setterfield, 2006). Moreover, it considers that people take decisions according to power relationships and to the social groups and classes to which they belong (Braunstein et al, 2019).

Combining post-Keynesian economics with cultural economics, the purpose of this paper is to address the aforementioned gaps in the literature by understanding the relationship between culture and economic growth from a demand side perspective. A post-Keynesian growth model will be adapted to take into account inequalities in cultural participation and the relationship between the creativity of the labour force and innovation.

## Session 9: Digital economy and creative industries

### Cultural and Religious Heritage and Multiple Digital Currencies for a Humane Economy: Standard-Based Stewardship or Preference-Based Regulation of the Blockchain in an Emergent Pan-European Order

**Thomas Marmefelt**

Alternative monetary arrangements today involve local currencies, which are complementary to national currencies, and cryptocurrencies, which are out of control of central banks. This paper analyzes their evolution as private monies, especially the digitalization of local currencies, in a Pan-European context of cultural and religious diversity, involving standard-based stewardship rather than preference-based regulation of the blockchain technology. Local currencies often have a social dimension and have an established history. Virtual money and the emergence of intangible money warrant attention. Local currencies go digital, using the blockchain technology, which is the most complicated aspect of the Fourth Industrial Revolution that involves artificial intelligence, by which technological change allows machines to calculate by using big data, as human minds construct algorithms. The economy is a complex social system, which constitutes an emergent order, involving self-organization. As such it is the outcome of a web of social interaction among many economic agents. Coordination among them is done through the price mechanism. The capital structure of the economy evolves over time becoming increasingly complex, possibly using a variety of currencies. Artificial intelligence and machine learning algorithms are consciously developed by humans for, historically specific, transient contexts. Considering the varieties of culture and religion, in terms of traditional versus secular-rational values and survival versus self-expression values, and varieties of technological blockchain capability, this paper uses comparative economics to address the co-evolution of ethics and technology, along an ethics turnpike, according to cultural and religious heritage. For different varieties of cultural and religious beliefs and technological competence, this paper compares central banks with NGDP targeting and a NGDP futures market regime, as institutional measures for macroeconomic stability, involving local currencies, cryptocurrencies, and combinations thereof in the form of digital local currencies. Do cultural and religious beliefs, given technological competence, contribute to stewardship of the blockchain technology, thus making digital local currencies, aimed at fulfilling sustainable development goals, evolutionary viable in terms of macroeconomic stability? This paper addresses the impact of diversity of cultural heritage has on the emergence of divergent economic development paths in Europe, involving divergent paths of transition, as elements of an emergent Pan-European economic order; how social norms and trading networks emerge from a context-specific dynamic social interaction process within communities, involving the emergence of a humane economy within a disequilibrium macroeconomics framework.

**Keywords:** Standard-based stewardship; cultural and religious beliefs; blockchain technology; multiple digital currencies; macroeconomic stability

**JEL Classification:** E14; E42; E71; O35; Z12

### Entrepreneurial economy through the lens of complexity

**Salah Koubaa**

The purpose of this exploratory research is to cast light on the relationship between economic complexity and entrepreneurship. Many scholars have pointed to the positive impact of the entrepreneurial economy on wealth creation. However, little attention has been paid to the meaning

of entrepreneurial economy and how it is measured. According to the literature review, we argue that complexity and knowledge are fundamental explanations for entrepreneurial economy.

The concept of economic 'entrepreneuriality' is introduced in this paper in order to assess the extent to which some economies provide more entrepreneurial opportunities than others. Complex economies are more entrepreneurial than simpler ones because they afford more entrepreneurial and innovative opportunities. Methodologically speaking, we use longitudinal data at macro level. These secondary data are extracted from the Atlas of Economic Complexity in which the Economic Complexity Index (ECI) is calculated for each country. Moreover, we use the Entrepreneurship Global Index to assess the level of entrepreneurial economy. Using the Stata Software, our quantitative approach allows us to show a strong correlation between economic complexity and entrepreneurship. Furthermore, our findings have allowed us to conclude that complex economies (Japan, Switzerland, USA, Germany, etc.) are knowledge-based economies with a high level of entrepreneuriality. Nonetheless, all African countries, which have low economic complexity, are factor-driven economies and have consequently a limited level of entrepreneuriality. This goes hand in hand with Porter's theory on the stages of nations' development.

## Infinite, risky outcomes

**Hayden Wilkinson**

Suppose we learned that the future of humanity could be infinite. What would this imply about the correct social welfare function? Or just given the conceptual possibility of this, how might we evaluate social welfare in a way which extends to such possibilities?

These questions are difficult, even if we endorse a simple utilitarian social welfare function and neglect considerations of fairness (at least without pure time preference). Over infinitely many persons and generations, we obtain infinite streams of utility, e.g.  $U = (1, 1, 1, 1, \dots)$ . Unless those streams contain only finite total value, the utilitarian function will say judge their total value as either infinite (with the same magnitude) or undefined. So the utilitarian SWF can rarely compare any outcome to any other.

Various solutions have been proposed. Koopmans (1972) suggests a non-zero rate of pure time preference. Atsumi (1965) and von Weizsäcker (1965) propose the overtaking and catching-up criteria, followed by the broader 'expansionist' criteria of Vallentyne & Kagan's (1997), Basu & Mitra's (2007) and Arntzenius (2014). Jonsson & Voorneveld (2018) later propose limit-discounting. Each criterion has its share of problems, including: for the Koopmans, Atsumi and von Weizsäcker proposals, violation of finite anonymity; for the rest, widespread incomparability of outcomes. But here I wish to focus on just one major problem: what they imply for risky choices.

We live in a risky and uncertain world, so social welfare criteria which compare only in cases of certainty are unhelpful (see Jackson, 1991). How then should we compare policies, when we are not sure of which infinite outcome will be produced? This is a concern for both Bostrom (2011) and Arntzenius (2014), who note that no plausible existing methods (excluding Koopmans') work in such cases - none assign cardinal values to worlds, so none allow us to assign expected values to lotteries over worlds. (Note that I use 'expected values' in the normative decision-theoretic sense rather than in the descriptive sense common in economics.)

Only one solution has so far been proposed, by Arntzenius (2014). By Arntzenius' principle, for each lottery, we first evaluate expected utilities for each 'location' in the utility stream (whether locations represent persons, generations, or physical positions). Then we have an infinite (expected) utility

stream associated with each lottery, which we can evaluate according to our usual criterion as though there were no risk present. This sidesteps the need for a cardinal value assigned to each outcome.

Specifically, Arntzenius (ibid.:53) proposes this in conjunction with an expansionist criterion (cf. Basu & Mitra 2007):

Local-Expectation Expansionism: For any policies (or other actions)  $A$  and  $B$ , "...say that  $EU(A) > EU(B)$  iff for all allowable expansions  $R_1, R_2, R_3, \dots$  of the decision region  $R_1$  there exists an integer  $n$  such that for all  $k > n$ ,  $EU(A \text{ in } R_k) > EU(B \text{ in } R_k)$ . (And the same goes for  $EU(A) < EU(B)$  and  $EU(A) = EU(B)$ , mutatis mutandis.)"

Regions here are finite sets of locations, and expansions of those regions are proper supersets (with some provisos).

In this paper, I demonstrate a substantive problem for Arntzenius' approach. There exist decision scenarios in which it conflicts with highly plausible principles which we would be remiss to abandon.

Suppose a social planner must choose between some policies  $A$  and  $B$ . Policy  $A$  will yield, with probability 1, the outcome  $U$  which contains the following values at each location  $L_i$  (labelled arbitrarily).

$$\begin{array}{l} \\ L_1 \& L_2 \& L_3 \& L_4 \& L_5 \& L_6 \& L_7 \& L_8 \& \cdots \\ U = (0 \& 0 \& 0 \& 0 \& 0 \& 0 \& 0 \& \cdots) \end{array}$$

Policy  $B$  yields a lottery over the outcomes  $V_n$  below, each with probability  $\frac{1}{2^n}$ . Note that, no matter which outcome results, the total value for that world is clearly negative --- the sum for each approaches negative infinity.

$$\begin{array}{l} \\ L_1 \& L_2 \& L_3 \& L_4 \& L_5 \& L_6 \& L_7 \& L_8 \& \cdots \\ V_1 = (2 \& -\frac{1}{2} \& -\frac{1}{2} \& -\frac{1}{4} \& -\frac{1}{4} \& -\frac{1}{4} \& -\frac{1}{4} \& -\frac{1}{8} \& \cdots) \\ V_2 = (0 \& 2 \& 2 \& -\frac{1}{4} \& -\frac{1}{4} \& -\frac{1}{4} \& -\frac{1}{4} \& -\frac{1}{8} \& \cdots) \\ V_3 = (0 \& 0 \& 2 \& 2 \& 2 \& -\frac{1}{8} \& \cdots) \\ V_4 = (0 \& 0 \& 0 \& 0 \& 0 \& 2 \& \cdots) \\ \vdots \& \vdots \& \vdots \& \vdots \& \vdots \& \vdots \& \vdots \& \vdots \& \vdots \end{array}$$

In general, for all  $V_n$ , the utility located at  $L_i$  is given by:

$$\begin{matrix} \\ (0) \& \text{for } (i < 2^n) \\ (V_n(L_i) = ) \& (2) \& \text{for } (2^n \leq i < 2^{n+1}) \end{matrix}$$



$\sum_{k=0}^{\infty} \frac{1}{2^k} = 2$

$\end{matrix}$

Crucially, if we take the expected utility for each location under policy  $B$ , as Arntzenius recommends, we obtain the following local expected values, each of which is greater than 0. Also, their total converges to 2. (Notably,  $2 > -\infty$ ).

$\begin{matrix}$

$L_1, L_2, L_3, L_4, L_5, L_6, L_7, L_8, \dots$

$EV_B$

$(L_i) = \frac{1}{4}, \frac{1}{4}, \frac{1}{16}, \frac{1}{16}, \frac{1}{16}, \frac{1}{16}, \frac{1}{64}, \dots$

$\end{matrix}$

Arntzenius' principle implies that the lottery of  $B$  is ex ante better than the outcome of  $A$ . So does any other criterion which respects Ex Ante Weak Pareto (defined as usual).

But any criterion which respects Weak Pareto when comparing outcomes (or Finite Sum, defined below), every world in  $B$ 's lottery is ex post worse than the outcome of  $A$ . So the principle endorses a policy which is guaranteed to bring about a worse world. Thus, Arntzenius' principle violates all of the following (in descending order of strength): Stochastic Dominance; Statewise Dominance; and the (self-explanatory) Guaranteed Ex Post Betterness (see paper for precise definitions).

More generally, we obtain an impossibility result. No ranking of infinite-population lotteries can satisfy all of the following conditions: Ex Ante Weak Pareto; Guaranteed Ex Post Betterness; and the highly plausible Finite Sum, which requires that we remain minimally consistent with the finite utilitarian SWF.

Given this impossibility, I reject Ex Ante Pareto in favour of Stochastic Dominance. I then develop a novel principle for comparing lotteries which satisfies Stochastic Dominance, and Finite (Expected) Sum. This principle is also compatible with any of the betterness relations over outcomes mentioned above. Once supplemented with a sufficiently strong betterness relation (e.g., any of those above), the principle allows us to compare a wide range of lotteries over infinite streams.

## Internet piracy and video game sales - evidence from two studies

### Wojciech Hardy

Among the creative and cultural industries, video gaming has always been at the forefront of digital distribution and the online piracy battle. Due to the specific features of their content, video game studios have developed various ways of protection, known as Digital Rights Management systems. These have ranged from difficult to crack lock and key designs to online verification dependence. However, despite a wide range of studies covering the actual effects of online piracy in the music and film sectors (and few of book and comic book sectors), little attention has been given to video gaming. To fill this gap in, I conduct a first study of the effects of online piracy on PC video game sales.

To do so I utilize two main sources of data and two approaches. For the data, I rely on, first, a dataset purchased from Nielsen's Superdata Research of monthly digital sales figures for about 200 popular titles across several geographical regions. Second, I rely on data collected by Steamspy that comprise

high-precision and high-frequency estimates of sales from the dominating digital games selling service Steam.

For both kinds of data I conduct analyses using two strategies. First, I follow the identification strategy of Danaher et al. (2019) who studied the effects of vast piracy website blocking in the UK on use of legal, audiovisual subscription services. The researchers found that the website blocking efforts lead both to a decrease in piracy rates for the studied content and an increase in paid subscriptions. Using the data for several regions and numerous titles, I conduct a difference-in-differences analysis of the effects of the block on video game sales.

Second, I conduct automated data collection to identify dates of unauthorised leaks of the video games to piracy websites such as The Pirate Bay. Due to their size, video games continue to be distributed illegally mainly through P2P networks such as torrents. Moreover, as the level of sophistication of applied digital protection tends to vary across game titles, the dates of illegal leaks also vary across titles, with some of them released almost simultaneously with the official release, and some of the delayed by months. This unique setting, different to that of other industries, allows to both identify precisely the date of leaks and to measure how the effectiveness of delaying an unauthorised release impacts sales.

Initial findings suggest that the impact of piracy on the video game sector might be heterogeneous and related to factors such as type of video game (e.g. single or multiplayer) as well as their popularity, brand or budget (e.g. different effects for small, new developers than for large, established ones). I discuss the implications.

## Session 10: Culture,behaviour and economic order

### Competition: What It Is and Why It Is Morally Problematic

**Yvette Drissen**

Competition plays a big role in structuring and shaping our everyday lives. Many practices regulated by basic social institutions, such as the labor market, education, and leisure are (partially) organized competitively. While competition is topical and important, it has received relatively little attention in the politico-philosophical debate up until now, an exception being Waheed Hussain's 'Pitting People Against Each Other'.

This paper builds on Hussain's recent attempts to show when competition is morally permissible and when it becomes 'morally defective'. He defends his 'Estrangement Account' arguing that competition leads to a worrisome failure in solidarity amongst members of a political community.

We criticize some of Hussain's main claims and develop our own approach to competition. First, our conceptual objection is that Hussain's definition of competitive institutions is too narrow. Alternatively, we stress that it is essential to competition that winners can only be successful at obtaining the scarce good at the expense of the losers. Second, our normative objections are directed towards Hussain's Estrangement Account. We propose a more straightforward way of identifying competition's distinct moral problem and claim that competitions that distribute vital goods inflict inevitable and predictable harms on the losers. This, we argue, provides a pro tanto reason not to distribute these goods competitively.

In light of the importance of making ethically informed decisions about how to organize (potentially) competitive practices that structure and shape our everyday lives, we aim to build on Hussain's insights and clarify what exactly competition is and why it is morally problematic.

## Cultural maladaptation in economics

**Marcin Gorazda**

Although the institutional and evolutionary approach in economics is still not so common, it is getting its momentum and a growing number of economic analysis is done in the light of Darwinian method. It is especially important since we have learnt from the evolutionary psychologists the sources of our biases, which often undermine the classical rationality, and since we have learnt from the cultural anthropologists how much culture is adaptive and how it evolves. Darwinian analysis in economics often focuses on those individual traits and cultural variants which are adaptive, relevant to economic decisions and on their possible impact on the economy. Rarely they point on traits which may be maladaptive, and which, both in biological and cultural evolution, are quite numerous. One of the reasons for the unpopularity of maladaptation is the ambiguity of the term itself. Economists (even those evolutionary oriented) are inclined to think about the “progress” in human's societies in terms of welfare increase. Whatever contributes to this increase is adaptive, whatever counteracts it is maladaptive. This perspective is also assumed in the presentation. However, we have to remember that evolution is directionless, and in biological terms, it is not the welfare what counts but the effective and sustainable propagation of genes. It may even be the case that modernity expressed in terms of our pursue of welfare is maladaptive itself, as it contributes to the dropping rate of fertility.

In the first part of the presentation, the main points of the naturalistic approach to the cultural evolution will be reminded (main terms and mechanism of the transmission of the cultural variant (Richerson & Boyd, 2005)). Particular emphasis will be placed on the maladaptive cultural variants and the way they spread and persist in the population. In the second part two examples of maladaptive variants will be presented, or in other words, variants which are adaptive in principle, but become maladaptive in certain circumstances:

- The so-called “prestige bias” is the well-known and confirmed in many studies, adaptive mechanism of biased transmission of cultural variants which relies upon the imitation of the most successful and the most prestigious members of the society. In principle, it works good, as success and prestige usually are marks of adaptation, and copying those the most adapted increases the likelihood of individual adaptation. In the economy, however, and especially in the financial market, this bias expresses itself in imitation of the investment strategies of the most successful investors. Exponential spread of those imitated strategies leads to the investments bubbles and crisis, as it rapidly changes the environment, which makes the strategy no longer adaptive. The example of hedge funds given by A.W. Lo, contributing to the recent financial crisis will be discussed (Lo, 2017).
- The so-called “conformist bias” is another adaptive mechanism of biased transmission which relies upon the imitation of the most common behavioural patterns in the society. It is also strongly adaptive, but its drawback is that it strengthens the borders between groups, inter-group rivalry and hostility and creates symbolic markers signifying the group membership (language being the most common and the hardest to cheat on and eventually overcome) (Henrich & Boyd, 1998). Although most economists agree that the easiest way to double or even triple the welfare of the world is to open borders and let the people migrate from low-

income to high-income countries, the persisting hostility between nations prevents this solution (Clemens, 2011).

Those economists who consider above mentioned maladaptive traits and their impact on global, sustainable welfare also try to offer a solution. In the case of dangerous investment bubbles, it is a specially designed, international system of initial investigation and warnings (SIMON) (Lo, 2017). In the case of inter-group hostility, the modern economic organisation, multinational firms are given as an example of successfully overcoming the unpleasant consequences of conformist bias (Stoelhorst & Richerson, 2013). Both examples will be discussed. Both, however, require the international cooperation to enforce the coordination rules, and both lead us to the well-known problem of collective action and the highly unstable, bumpy evolutionary road to its solution.

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## Economics, social neuroscience, and mindshaping

### Don Ross

We consider the potential contribution of economics to an interdisciplinary research partnership between sociology and neuroscience ('social neuroscience' or 'social neuroeconomics'). We correct a misunderstanding in previous literature over the understanding of humans as 'social animals', which has in turn led to misidentification of the potential relevance of game theory and the economics of networks to the social neuroscience project. Specifically, it has been suggested that these can be used to model mindreading. We argue, following a recent literature due mainly to philosophers, but with supporting contributions from economists, that mindreading is at best a derivative and special basis for social coordination, whereas the general and pervasive phenomenon on which it depends is mindshaping. We then outline the formal foundations of Conditional Game Theory as a mathematical model of mindshaping, which extends game theory without displacing its classic solution concepts, and which exploits economists' experience in modeling networks. The upshot is a formal game-theoretic integration of economics and sociology into which parameters derived from neuroscience can be inserted.

## Individual freedom and the economic order in the ordoliberal thought

**Piotr Pysz, Michał Moszyński**

“It seems to me ... that freedom is not just a value among others, a maxim of morality on an equal footing with everyone else, but that it is the source and condition of all individual values.” (F.A. Hayek, *Die Ursachen der ständigen Gefährdung der Freiheit*, „Ordo“ 1961, No. 12, pp. 103–109).

In the 20th century, societies of European countries were oriented towards one of three great narratives – liberalism, socialism and nationalism occurring in various forms, including Italian fascism or German national socialism. Socialism and various extreme forms of nationalism seemed to be finally overcome at the turn of the nineties of the twentieth century. Liberal narrative, as it seemed, prevailed in the socio-economic life of Western societies. It was then that Francis Fukuyama formulated the famous and confusing thesis about the end of history.

After the global financial and economic crisis of 2007/2008, the liberal narrative exposing the individual freedom as an autotelic value and emphasising institutional forms of coordinating the activities of free individuals – free market and parliamentary democracy – was confronted with the growing dysfunctions of both the market and parliamentary democracy. As a consequence, discouragement spread and a growing lack of faith in liberal narration emerged.

In many countries, a gradual return to the seemingly abandoned nationalist narrative began. The slogan “America first” or “Brexit” as a crisis of the project of European liberal integration can be a symbol of this. It should be considered a paradox, because the United States and Great Britain have traditionally been perceived to be particularly attached to liberal thought in political and economic practice and actively promoting it.

The aim of the presented paper is an attempt to assess whether the ordoliberal theory of Walter Eucken, Ludwig Erhard, Wilhelm Röpke and Alexander Rüstow, which has a deep philosophical and ethical foundation, which focuses its research effort on the key relationship between the individual freedom and socio-economic order could contribute to stabilization, and even saving the liberal narrative that is currently at risk. The problem can be captured by using statements from major ordoliberals. In Eucken's words, “Everything is centered around the question: what forms of economic order ensure freedom?”, while in Röpke's prophetic postulate “we must defend capitalism against capitalists”.

## Session 11: Economists and the Public Trust

### Economists in the Democratic Discourse: Between Elitism and Egalitarianism

**Marek Hudík, Petr Špecián**

In the early 21st century, dissemination of digital technologies has eroded the elites' control over the flows of information and knowledge (Gurri 2018). We are now living in an intellectual climate where academic credentials are losing weight with the public; disdain for expertise is on the rise (Nichols 2017). No matter how frustrating this may be for the experts, complaints against misinformed citizens and sly populists cannot turn the clock back before the information revolution. For better or worse, the present period is more epistemically democratic and egalitarian than any former era.

Against the background of widespread, and arguably growing, disagreement about the empirical efficacy of policies and desirability of their goals, we examine the activity of economists as public

intellectuals. Our aim is both analytical and normative. From the analytical viewpoint, it is necessary to distinguish among various attitudes an economist may take towards the public discourse. Most importantly, to what extent can she try to impose her epistemic authority on the public? The normative issue is no less pressing: What role should an economist play to contribute meaningfully to the democratic discourse while still drawing advantage from her professional training? Whatever answers to these questions have been given in the past, the current shifts in the technology and norms of the democratic discourse require their reevaluation.

As a key criterion to distinguish the economists' possible roles, we use a dichotomy of elitism-egalitarianism. The purpose of these labels is analytical, not evaluative. Where the economists strive to convert the public to their own views, we consider their attitude elitist. Where they accept the public's views as given, we consider their attitude egalitarian. Both the public's beliefs and values may be subject to either elitist or egalitarian treatment while elitism regarding beliefs does not imply elitism regarding values, and vice versa.

Accordingly, we identify four possible roles for economists as public intellectuals: educators, preachers, experts, and consensus-seekers. "Educators" are elitist about both preferences and beliefs. Like Plato's philosopher-kings, they consider themselves more enlightened in terms of values and better informed in terms of beliefs than the ordinary members of the public. "Preachers" are elitist about preferences, but they hold that the ends justify the means. Therefore, they are egalitarian about beliefs: as long as people have the right values, their beliefs do not matter much. "Experts" take preferences of others as given but they are elitist about beliefs. Unlike educators and preachers, the experts do not feel themselves in possession of superior knowledge about what others should want. Nevertheless, they feel better informed about how to achieve given ends. Finally, "consensus-seekers" take both preferences and beliefs as given. Amid the conflicting interests and moral intuitions, they search for policies and institutions that attract unanimous support.

On the normative level, we examine relative advantages of the different roles. Our chief hypothesis is that while the role of economists as experts dominates the discourse, the advancing digital era increasingly favors consensus-seeking. There are several reasons for this state of affairs: Firstly, technological innovations make the information about the consequences of policies more readily available to the public. Secondly, in wealthy societies, people develop large diversity of tastes. Arguably, differences in tastes are thus becoming more important than differences in beliefs. Thirdly, even if the differences in opinion stem from different beliefs about policy results, it is unclear what policy should be adopted if economists-experts fail to persuade the public. The role of economists of consensus-seekers is to design policies and institutions that, in the Paretian tradition, reconcile conflicting demands of the public.

The contribution of our paper is an analysis of the democratic marketplace of ideas from the perspective of an economist qua public intellectual. To the best of our knowledge, our distinctions based on the elitism-egalitarianism and beliefs-preferences dichotomy are a novel contribution to the existing literature (e.g., Buchanan 1979). We also share a practical aspiration: we want to provide a roadmap to the economists striving to increase the perceived legitimacy of economics in the democratic discourse of the digital era.

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## The Cultural Shift Toward 'New' Paternalism in Economics – A Contractarian Critique

**Mario Rizzo, Malte Dold**

In recent years, behavioral economists and public policy analysts have endorsed the idea of 'new' paternalism. 'Old' paternalism is the view that the paternalist determines top-down what is good for the individual by reference to some system of objective values. In contrast, 'new' paternalism is the view that the paternalist can help individuals make better decisions and improve their welfare as judged by themselves.

In his 2018 book *The Community of Advantage*, Robert Sugden argues that 'new' paternalism has led to a cultural shift in economics: while early behavioral economists wanted to build psychologically more realistic models, recent behavioral economists began to interpret the very same models normatively. Our article critically assesses this cultural shift within the economics discipline. Based on the logic of Nobel Prize Laureate James M. Buchanan's contractarianism, we will investigate whether the demand for paternalism is consistent with the findings of behavioral economics.

The structure of the paper is as follows: In the first part we explicate various versions of paternalism that we will discuss later in the paper. Part II carves out the normative presuppositions of Buchanan's contractarianism and part III argues that freedom of exchange is central to his contractarian project. Part IV explains how individuals are able or might struggle to apply self-constraining rules "in-period", i.e., after an initial plan for action has been formed. Parts V examines the various forms of paternalism we identified beforehand. Part VI analyzes the effects of "in-period" paternalism in the form of so-called internality taxes. Before concluding, we reexamine in part VII Buchanan's normative presuppositions in light of the arguments we developed in this paper.

## When is economics bullshit?

**Seán Muller**

The paper revisits the scientific status of economics. It follows contributions to the methodology of econometrics literature in arguing that economists too often express 'incredible certitude' about empirical findings and the implications of such findings for policy. Combining this observation with recent contributions to the demarcation literature, it is argued that a significant proportion of policy prescriptions premised on economic analysis are bullshit. Specifically, strong claims are made about phenomena in a manner that is designed to mislead, in as much as there is inadequate regard for the truth and the limitations of the methods employed. The argument is briefly illustrated with reference to economists' use of empirical results from randomised experiments to inform policy. Though the widespread adoption of these experimental methods in the last two decades has been referred to as a 'credibility revolution', recent work shows a fundamental inconsistency between practitioners' approach to causal identification and the extrapolation required for policy recommendations. The paper concludes that, unlike string theory to which it has been compared, economics is dangerous not because of its methodological limitations but because the strength and influence of economists' prescriptions are insufficiently reflective of these limitations.

## Session 12: Reciprocity and care

### Beyond Institutions: A Systemic Look at Economic Phenomena from the Complexity Approach

**João Silva**

Economic Science was founded on Adam Smith's *A Wealth of Nations*. Based on the superficial diffusion of its concept on economic behavior and social order, it was formalized with the Neoclassical Economic School, starting from the marginalist revolution as a reductionist field of investigation centered on the rational logic of individual action, capable of deduction based on universal laws concerning to the rational order of the market. Thorstein Veblen considered economics as a non-evolutionary science, uneven to the other social and natural sciences of the time, due to the universality of economic behavior, the non-evolutionary static analysis and the overemphasis on mathematical formalization, while emphasizing the importance of institutions and culture for understanding economic phenomena. The New Institutional School, in turn, added elements of Veblen's institutionalism in alignment with the neoclassical logical method, considering the rational behavior of the individual, given the institutional apparatus that surrounds him and sets the rules of the game. This article aims to present a different epistemological and methodological approach to the study of economic systems, in addition to the institutionalist look about the relationship between the individual and the environment in which it is inserted. From the systemic perspective and the conceptions of self-organization and emergence, as well as the assumption of the imperfect rationality of the economic agent, the Economic Complexity adds cultural and institutional elements to understand the dynamics of economic systems, aligning the mathematical formalization with the view about evolutionary about economic phenomena. To this end, this work is divided into four stages, besides the introduction and the final considerations. Initially, it seeks to present the foundations of neoclassical economics, centered on the rational order of the representative economic agent. Next, Veblen's critique and the defense of culture and institutions are presented as elements inherent in the economy, characteristic of the old institutional school. Then, the characteristics of the new institutional school and the role of the individual in relation to the cultural and institutional structure in which they are inserted are exposed. The following topic exposes the methodological and epistemological bases of economic complexity, in its analytical proposal of aggregation of cultural elements and understanding of the systemic order of economic phenomena as complex dynamic systems.

### Economics and National Cultures

**Ricardo Crespo**

Max Weber's essay *The Protestant Ethics and the Spirit of Capitalism* (1920-1) has provoked a huge amount of research and discussion about the relations between cultures, religions, and economic life. Though with different specific conclusions, this essay has influenced the ideas on the economic life of the Spanish thinker Ramiro de Maeztu (1875-1936; see Enrique Fernández Barros 1974 and José Alsina Calvés 2011). Apart from his normative intentions, de Maeztu relates a positive 'reverential' way and a wicked 'sensual' way of using money to the different races of America: the race that speaks English and the race that speaks Spanish or Portuguese, respectively. These races, de Maeztu argues, have different idiosyncrasies, ethoi, or cultures that influence their attitudes toward economic behavior.



In this paper, I will first show how John Stuart Mill ([1844] 2006 and 1882), Carl Menger (1960), John Neville Keynes ([1891] 1955), and Dani Rodrik (2015) argue that economics has to take into account the specificities of different cultures. I will then argue that these specificities have to be considered not only at the level of the 'art of political economy' but also of positive and normative economics.

Finally, I will describe the cyclical evolution of the economy of Latin America, which has a relation with the ideas of de Maeztu. The conclusion will be that the characteristics of Latin America's culture and their impact on the economy call for economic theories and practices that complement and sometimes modify the standard theories and practices.

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## Meritocracy vs Careocracy

**Paolo Santori**

While the concept of power has been easily associated with the concept of merit, resulting in meritocracy, no one attempted to do the same with the idea of 'care', inquiring about the possibility of careocracy. The present paper inquires this neologism to see if, substituting merit with care, the problems related to contemporary meritocracy, the legitimization of inequalities, and reduction of social value to market value, can be overcome. The result is apparently negative since the problems related to meritocracy endure also with careocracy. However, the present paper argues that care and merit together tackle down the reductionism and inequalities associated with mono-dimensional forms of power. The isocracy of care and merit enlarges the scope of values recognized by society and delegitimizes inequalities.

## Session 13: Happiness and emotions

### Back to Aristotle? Explorations of Objective Happiness

**Ivan Mitrouchev**

This paper provides an analytical assessment of measuring experienced utility: a research program that leading expert Daniel Kahneman recently stated to have abandoned. My analysis follows four steps. First, I propose a literature review of twenty years of experienced utility measurement. Second, I consider several philosophical issues that Benthamian hedonism may be a problem for public policy. Third, I provide a philosophical discussion of all the axioms of experienced utility measurement by arguing that many of them suffer from important theoretical issues. Finally, I show that maximising individuals' moment utilities is based on a misconception of happiness that economists and policymakers have good reason to stay aware from. The bottom line is if economists and policymakers seek to improve their understanding on measuring objective happiness, Aristotle's eudaimonism may provide a more convincing account of objective happiness that palliates some of the issues of Bentham's hedonistic reductionism.

### John Dewey: an open door to the economics of emotions

**Emmanuel Petit, Jerome Ballet**

The influence of pragmatism on institutionalism, and in particular on that of John Commons, is now widely recognized. In particular, the importance of rules and habits in behaviour has been well highlighted in pragmatism. Nevertheless, the importance, in this current of thought, of thinking about the bifurcation with rules and habits has been underestimated. This article points out that John Dewey, one of the most influential pragmatist philosopher, thought about these transformations. In particular, John Dewey's 1922 book – *Human Nature and Conduct: Introduction to Social Psychology* – contains a first sketch (which will be developed in particular in *Art as an experience* (1934)) of the role of emotions (or impulses) in the transformation of individual habits.

The emotions thus enrich the understanding of the dynamics of institutions, extending in particular the one proposed by John Commons (1934). Dewey and Commons subscribe to a non-dualistic approach, place the notion of “transaction” at the heart of their theory, and usually make the habit an essential determinant of individual behaviour. In 1934, in *Institutional Economics: Its in Political Economy*, John Commons recognized the significance of Dewey's transactional social psychology, but did not integrate the “disruptive” elements of emotion. In this sense, emotion is a missing piece of institutionalist theory. The analysis of Jon Dewey provides a new avenue for economic analysis, particularly in the role that emotions can play in changes in rules and behavioural habits. Dewey thus invites us to a more emotionally embedded economics than economic analysis has so far produced.

First of all, we show that John Dewey develops a philosophy of experience. According to him, the interaction of the living being and its environment is part of the very process of existence. As a result, we are constantly living an experience. Then, we point out that Dewey makes an important distinction between the notion of “interaction” and that of “transaction”. During the transaction process, the entities that interact are themselves subject to transformations, which is not specifically the case in a simple interaction. This distinction makes it possible to read the dynamics of institutions as a mechanism of co-evolution.

We then highlight that emotions play a major role in John Dewey's philosophy of experience. Emotion is at the very origin of the experience since it constitutes the “disruption” that affects the subject and makes him/her enter the experience. It is also an agent of completeness and unification of experience. Emotions can thus provoke changes in the dynamics of institutions precisely because these dynamics are forged in a transaction process.

Finally, we conclude on what this analysis brings in relation to the standard economic theory of emotions. Within the institutions, routines are certainly a practical way of applying the rules. But to think that the individual is locked into these routines without experiencing them in some cases is to deny the very idea of experience and transaction. In this sense, the “theory of emotions” of John Dewey opens a perspective on the articulation between institution and emotion through the medium of the individual, a perspective that is not found in the Commons analysis (1934). We therefore illustrate, using concrete contemporary examples, how emotions contribute to the reorganization of ongoing activities and transform individual habits within institutions.

## Market Nudges and Autonomy

**Viktor Ivanković, Bart Engelen**

Insights from behavioral economics have ushered policy making into a new era, as the use of behavioral techniques (or ‘nudges’) holds promise for steering people's behavior towards their ends, the reduction of harms, and the fulfillment of social obligations. But with the discussion framed around the permissibility of government nudges, little has been said about the permissibility of behavioral techniques used by for-profit market agents.

We claim, in this paper, that the use of behavioral techniques in markets raises autonomy concerns. We show that if authors are worried about government nudges circumventing the deliberative capacities (Grüne-Yanoff 2012) or diminishing the control (Hausman & Welch 2010) of targeted agents, their worry about behavioral techniques in markets should be increased, since 1.) these techniques are not constrained by the principles of government nudging (mildness and sensitivity to agents' ends), and 2.) are often “stacked” – they come in great numbers that overwhelm agents (Coons & Weber 2013).

We then respond to objections that could be raised against our view, pertaining to respect for targeted consumers, their expectations of market influences, the demandingness for marketers, the conceivability of a market without nudges, and the pervasiveness of influences.

Finally, we present several policy applications derived from our normative conclusions. Apart from outright bans, we discuss two sets of regulative strategies in advertising, one related to control of content and the other to control of public spaces.

## May Students in Business administration and Economy Will Be Passionpreneurs in Labour Market?

**Mohammed Meri**

The term of entrepreneurs Culture dominates scientific works of Scholars and the best practices of practitioners during the 20 past years. It has been exhaustively described (principles, methodology, models, culture, practices,) and of course its success was huge in companies and organizations. However, recently, to adapt the development of management sciences with the speed change in the

environment (external and internal of the organizations), the specialists (Scholars/ Researchers ) have invented the term of (Passion-preneur) which includes the characteristics of (courageous people, passion, spirit of success, challenge desires, business, confidence and creativity to pursue multiple passions in life, despite being told the correct way is to focus on one area , ...), to get to the success in the business and economy field. This (passionpreneur culture) is a new approach in the business or economy and it implements new components of culture and methodology to achieve effective results in modern enterprises. This paper presents the approach, which exceeds (Entrepreneurial or organizational Culture) and it addresses students in business and economy in order to know if they will be passion-preneurs in labour market?

## Session 14: Research styles and epistemic cultures

### Economic modelling through a cultural lens

**Krzysztof Nowak-Posadzy, Jarosław Boruszewski**

Economics became a model-based science [cf. Rodrik 2015], which aroused philosophical and methodological interests in a model-based type of reasoning [cf. Morgan 2012], in semantic relations between models and modelled systems [cf. Mäki 1999; Reiss 2008; Claveau, Mireles-Flores 2014, 2016], as well as in instrumental status of economic models [cf. Boumans 2001; Reiss 2012] and commonsensical basis of economics [cf. Hausman 1998, Mäki 2009, Hands 2012; Ross 2012; Guala 2012; Nagatsu, Poder 2019]. This presentation aims at filling the gap which is still missing in the contemporary philosophical and methodological discussion on economics, that is the identification and thematization of cultural framework of economic modelling. As Uskali Mäki has recently put it, the issue of “cultural framework of economic modelling is needed for having a sophisticated conversation about the rights and wrongs of economics” [Mäki 2018, p. 4].

Traditionally, the presence of culture in economic sciences has been thematized in terms of the so-called value-ladenness [cf. Weber 1904/1949; Gonzales 2013; Putnam, Walsh 2011; Boumans, Davis 2010; Mongin 2006]. This approach, which we call a standard one, is based implicitly on the following dilemma: value-ladenness is either inevitable or dangerous. If it is inevitable, then such a state of affairs should be accepted via an adequate epistemological-methodological analysis [cf. Longino 1990] and disclosed in economic research [cf. Reiss 2014]. If it is dangerous, then such a state of affairs should be eliminated also via an adequate epistemological-methodological analysis [cf. Nagel 1970] and avoided in economic research [cf. Robbins 1932]. This thematization of the problem of the presence of culture in economic sciences boils down to the problem of value-judgement (*reductio ad valorem*).

Therefore, in this standard approach, the culture is present as axiology. What we believe is enriching is to adopt a slightly different approach, which we call a non-standard one. According to the non-standard approach, the presence of culture in economic sciences has not only an axiological, but also a semiotic dimension. A contemporary exemplification of this approach is an artifactual approach taken by Tarja Knuuttila, according to which scientific model is a “culturally established external representational tool” [Knuuttila 2017, p. 1]. On a similar note, Axel Gelfert treats cultural symbol systems as “collective representational resources” [Gelfert 2015, p. 60].

The difference between the standard and the non-standard approach is visible in controversies in the methodology of cultural sciences. In the standard approach, represented by Heinrich Rickert, cultural sciences make use of value-concepts. On the other hand, Ernst Cassirer questioned Rickert's approach arguing that the subject-matter of cultural sciences are symbolic forms described by style-concepts:

“[w]hat style-concepts present is not an ought but simply an "is" even though this "is" is not concerned with physical things but with the persistence of “forms”” [Cassirer 1961, pp. 126-127 - emphasis added].

Uskali Mäki's postulate to analyze the “cultural framework of economic modelling” rightly identifies the problem, but the expression itself is still far from being clear and needs to be properly explicated. Therefore, we need to determine whether “cultural framework” relates only to the modelled target or whether it also relates to the economic model as such. If the former is the case, then we deal with the most common usage of the concept of culture by economists, i.e. culture as the set of values and beliefs influencing behaviour of economic agents [cf. Brown 2008, p. 3; Roland 2015 p. 2; Bowles, Gintis 2008, pp. 215-216, Guiso et al 2006; Fernandez 2011, 2008]. If the latter is the case, then we deal with not only the problem of culture-in-model but also the problem of model-in-culture. By exploring the problem of model-in-culture, we consider models not just as abstract entities in which only the formal-structural properties are relevant, but also as cultural artifacts stemming from shared symbolic resources. These resources “are not given in the nature of things - they are historically constructed, socially maintained, and individually applied” [Geertz 1973, pp. 363-364 - emphasis added]. Cultural embeddedness or embodiment of models makes them representationally non-transparent. It is because the construction of a model is partly dictated by the representational modes and media used. Models thus demonstrate properties not intended by modellers and they do not directly relate to the modelled system but rather to its cultural conceptualizations. Therefore, methodological investigation of economic models and modelling needs to be supplemented with a systematic semiotic analysis [cf. Knuuttila 2010]. Such a semiotic approach to economic modelling allows us to deal with such problems as:

- repertoire and modes of symbolization;
- canons and procedures of interpretation;
- formats and styles of representation.

To sum up, the culturally informed economic methodology may contribute to increasing the semiological awareness among economists, which is especially important as “ignoring culture may be possible, but avoiding culture is impossible” [Storr 2015, p. 35 - emphasis added]. It may also shed new light on controversy around the cognitive status of economic models which is not only a purely philosophical question discussed within the academia, but it also resonates outside the academia and bears a broader cultural significance: “there remains the question of what exactly are philosophical and cultural implications of adopting a realist or antirealist position on models and science” [Murad 2011, p. 260 - emphasis added]. Certainly, economics is a model-based science, but it is also a domain of symbolic culture.

## New functionalism and the special sciences: What makes functional explanations legitimate?

**Lukas Beck, James Grayot**

Functionalism about kinds is still the dominant style of thought in special sciences, like economics, psychology, and biology. Generally construed, functionalism is the view that states or processes can be individuated based on what role they play rather than what they are constituted of. Those who endorse functionalism take seriously that functionally individuated states and processes have special ontological status in virtue of their causes and effects, which allows them to figure into causal explanations. The view that functionally individuated states or processes can be explanatory stands in

contrast to causal-mechanistic theories of explanation, which maintain that for any effect (explanandum), there is a unique physical organization underlying and instantiating it (explanans).

One common defense of functionalism in the special sciences—which we take to be concerned with states and processes above and beyond fundamental physics—is that social, behavioral, and psychological entities are multiply realized, i.e. they supervene on diverse micro (and macro) properties such that they are not reducible to invariant physical realizers. Therefore, they cannot be individuated on the basis of what they are constituted of. Another common defense is that functionally individuated states and processes cannot be eliminated for epistemic and pragmatic reasons, even if they fail to provide us with genuine causal explanations (Ross & Spurrett, 2004).

While functionalism continues to serve both epistemic and explanatory needs in the special sciences, newly unfolding debates in the philosophy of science indicate that arguments from multiple realizability and subsequent epistemic and pragmatic concerns may not be sufficient to justify invoking functionally individuated states and processes (see Shapiro 2000). One of the main worries in this regard is that there are no lawlike generalizations in the special sciences involving functional kinds (this follows from the observation that there seem to be few laws in those sciences). Yet, early defenders of functionalism, like Fodor (1974), argued that the existence of such well-supported lawlike generalizations vindicates functionalism. In response, Weiskopf (2011a; 2011b; forthcoming) has posited a reformulation of functionalism on a model-based approach to explanation in the special sciences. We refer to this reformulation as new functionalism. New functionalism holds that functional properties can constitute special science kinds by playing a central explanatory role in a range of scientific models. Hence, new functionalism does not depend on the existence of lawlike generalizations in the special sciences.

However, even under new functionalism, there remains much disagreement over whether multiple-realizability is defensible, and further, whether the concept of a functional kind is a coherent explanatory posit. As a consequence, proponents of non-reductive mechanistic approaches to explanations in the special sciences have argued that the special sciences should engage in mechanistic decomposition of target phenomena rather than attempting to explain such phenomena by reference to functionally individuated states and processes (see Bechtel and Mundale 1999; Bechtel & Abrahamson 2005, Craver 2006).

In this paper, we seek to refine and defend new functionalism by (1) identifying and improving the short-comings of Weiskopf's conception of functional kinds, (2) re-casting new functionalism in light of the broader explanatory needs of the special sciences, and (3) venturing a schema for distinguishing legitimate from illegitimate functional explanations therein.

Regarding (1), we consider a general rubric for individuating and assessing functional kinds based on their explanatory power (this rubric is based on Buckner 2015). According to this rubric, functional kinds can play three possible roles, i.e. they can be construed as fictions, reifications, or abstractions. While we agree that this rubric helps to identify important limitations of new functionalism, we find that Buckner's analysis is incomplete with regard to the diversity of explanatory modes found in social and behavioral sciences. That is, functional kinds can be employed in different explanatory modes independently of whether they are fictions, reifications, or abstractions. Functional kinds can, for instance, provide information when decomposing mechanisms is too costly because of epistemic complexity. In some cases, functional kinds might even offer genuine causal explanations where mechanistic decomposition would fail to do so. Moreover, functional kinds can afford cross-system comparisons where mechanistic decomposition cannot.

Regarding (2), we apply an improved rubric that is sensitive to the diversity of explanatory modes found in the special sciences; we use this rubric to analyze four instances of functional kinds in economics (we consider (i) preferences, (ii) folk psychology, (iii) decision heuristics, and (iv) game-theoretic models). This analysis serves a dual purpose in that it provides a series of cases to test new functionalism while informing us about the properties that should be considered when individuating functional kinds.

Regarding (3), we conclude by venturing a schema that distinguishes legitimate from illegitimate functional explanations based on two desiderata: (i) that they figure into an explanatory mode that cannot be executed by mechanistic decomposition; and (ii) that functional kinds give rise to explanations that are refutable, testable, and not too widely applicable. If they fail one of these criteria, there are strong reasons to doubt their legitimacy.

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## When the Realism of Assumptions Mattered: Milton Friedman's Critique of the Phillips Curve

**Marcos Picchio**

Dan Hausman has diagnosed contemporary economics as suffering from a methodological schizophrenia, “whereby methodological doctrine and practice regularly contradict one another.” (Hausman 1992, p. 152) A prime example of an economist suffering from this affliction is none other than Milton Friedman, one of the titans of 20th century economics. Friedman's (1953) methodological tract, in which he advances an off-brand account of scientific instrumentalism, has proven to be incredibly influential; “it is the only essay on methodology that a large number, perhaps the majority,

of economists have ever read.” (Hausman 1992, p. 162) For Friedman, the goal of economics (and of science in general) is “narrow predictive success” (Hausman 1992, p. 165), that is, correct prediction for “the class of phenomena the hypothesis is designed to explain.” (Friedman 1953, pp. 12-13) This leads Friedman to suggest, quite incredibly, that a hypothesis that “explains” (read: predicts) the distribution of leaves on a tree by “assuming” that the leaves are consciously doing complex calculations in order to maximize sunlight intake would be plausible insofar as the hypothesis yielded predictions confirmable by observation. The popularity of Friedman's instrumentalist methodology is undoubtedly due to how effectively it deals with the charge that economic theory relies on “unrealistic assumptions” since, for Friedman, the only relevant question to ask about the “assumptions” of a theory is whether these assumptions lead to confirmable predictions about the phenomena the theory is intended to explain.

Instead of arguing against Friedman's methodological stance on philosophical grounds I adopt a strategy that economists should find even more persuasive. I argue that rejecting narrow predictive success as the goal of economics has led to progress in the field by none other than Friedman himself. My case is based around Friedman's (1968) even more influential presidential address to the American Economic Association; his third most cited work and the most directly bearing on economic science (Mankiw and Reis 2018). It was here that Friedman criticized the existing macroeconomic framework centered around the Phillips curve and proposed the rival “monetary-policy invariance hypothesis”, now widely accepted amongst economists and central bankers alike (Hall and Sargent 2018). I argue that Friedman's criticism of the Phillips curve not only flouts his own methodological proclamations, but that those seeking to defend the macroeconomic framework centered around the Phillips curve could have used Friedman's own methodological proclamations against him. I take this result as sufficient reason for economists to reject Friedman's methodology.

The lesson is an important one that is relevant to current debates in economic methodology. As mentioned at the outset, Friedman's methodological stance is still popular among economists. It has been recently invoked by Faruk Gul and Wolfgang Pesendorfer (2008) to defend standard economic theory from the encroachments of psychologists and neuroscientists; they dub this the “neuroeconomic critique”. Echoing Friedman's insistence that a theory should not be tested by the realism of its “assumptions”, Gul and Pesendorfer argue against the view that psychological and physiological evidence are directly relevant to economic theories and go as far as to reject the possibility that this evidence can be used to support or reject economic models and even standard economic methodology itself. I touch upon this debate in closing and show how Friedman's flouting of his own methodology in his presidential address provides a valuable lesson that is relevant to the controversies surrounding the “behavioral” turn in economics: just as macroeconomics has not been reduced to microeconomics, but instead is informed by microeconomics and taken into consideration in large part due to Friedman's presidential address, I argue that so too can “neuroeconomics” play a similar role in microeconomics (and economics proper).

#### Keywords

Milton Friedman, economic methodology, philosophy of economics, scientific instrumentalism, behavioral economics

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## Session 15: Institutions, governance and economy

### Decomposition of the economic value of cultural goods. The case of theatre performances

**Aleksandra Wiśniewska, Ewa Zawojka**

The economic value of cultural goods consists of use value and passive-use value. However, the estimates of latter are rare in the cultural economics. This study aims at decomposing the value of a cultural good into use value and passive-use value based on the delineation between accessible and non-accessible cultural goods. Benefits categorization is employed to discuss sources of these values. Discrete choice experiment is employed to obtain values of the increase in the theatre offer in Poland of four types of performances: entertainment, drama, children's and experimental. Inhabitants of Poland are willing to pay for extended offer of theatre performances in most of repertoire types. However, to compensate for respondent's loss in utility due to increase in the experimental performances offer, respondents would need to be paid. The WTP for the 25% increase of accessible children's performances is more than 5 EUR per person per year, followed by about 4 EUR per person per year payments for entertainment and drama performances each. The extension of theatre offer more than by 25% is not wanted. Inclusion of passive-use value significantly changes the results. The estimated passive-use value equals to ¼ of total estimated value of the increase in entertainment performances and nearly 50% in drama performances. The passive-use value of drama performances has a source in provision of cultural preservation. Entertainment performances, usually identified as the source of use values, turn out to deliver also passive-use value related to encouraging access to theatres for new audiences, training for theatre artists and technicians as well as development of local creative artists. Finally, the increased delivery of theatre performances would result in positive change in people's utility only if passive-use value was included in the calculation.

### On the Governance Impact of Culture and Social Structure: The Case of Uzbekistan

**Frank Steffen, Kaja Seipolt**

A common feature of the governance structure in Central Asian states is the persistence of its authoritarian nature since their independence. According to contributions from comparative politics culture and social structure have played a crucial role for its development. From a sociological perspective, culture, in this context, implicitly refers to the non-material aspects of culture such as beliefs, practices, values, and communication shared in common in a society. Moreover, it encompasses 'basic' norms, rules, laws, and morals governing a society. Culture in sociology has to be

distinguished from social structure basically understood as the organised set of social institutions and patterns of institutionalised relationships, which together compose society. In this paper we study the case of the Republic of Uzbekistan in order to scrutinise the claim from comparative politics by making use of Chai's (2001) 'general model of preference and belief formation'. While maintaining its general applicability, this model integrates 'identity' and 'ideology' into the traditional rational choice framework in order to encounter the critique that the traditional approach is too abstract and unable to predict human behaviour. The application of Chai's model allows us to shed further light on the role of culture and social structure for the emergence of the current nature of the governance structure in Uzbekistan, i.e., why – from an ex post perspective – it is neopatrimonial authoritarian rather than democratic. According to the logic of the model, the Uzbek ruling elite developed preferences and beliefs facilitating a neopatrimonial authoritarian style of governance. Historically, patrimonialism and authoritarianism played a core role in the culture and traditional social structure in the area. Choosing their identity on such grounds, especially after the fall of the Soviet Union, the Uzbek ruling elite created and supported conditions favouring the two former 'isms'. Beyond our concrete application and the potential extension of our analysis to other Central Asian states, our study – in general terms – also demonstrates that Chai's model is applicable to understand historic decision-making and past developments, which might even have a strong impact up to the present.

## The Economics Of The Commons Reconsidered: Another view on property as a “bundle of rights”, From E. De Laveleye To E. Ostrom

**Marc Goetzmann**

Elinor Ostrom and other researchers with a shared interest in “the commons” have consistently highlighted the complexity of both the inner economics of the “traditional societies” they described and their integration to larger markets. In fact, contrary to some literature on the commons, these communities are not an “alternative” to markets: on the contrary, their structure and the culture that supports it (mostly their customary norms) are quite ambivalent. On the one hand, they allow for the sustainable appropriation, use and trade of goods by their members, which are vital characteristics of markets; on the other hand, they somewhat filter the influence of markets on the inner structure of those communities. In other words, they neither isolate them from markets, nor constitute any kind of collectivism, but rather enables them to render individual appropriation (which includes the potential desire of individuals to sell good outside of the community) to the preservation of a resource pool.

This contribution aims at underlining, but also reinterpreting, the importance of what is called the arrangement of property in a “bundle of rights”. This now classical definition of property rights (though much less classical in non-common law legal regime) is often seen as a fragmentation of property rights, with the objective of giving the community more power on property arrangements against individuals. Ostrom and Hess (2007) reinforced that impression by their reference to John Commons (The Distribution of Wealth, 1893). Nonetheless, an exploration into the origins of the idea that property is a “bundle of rights”, dating back to Henry Sumner Maine (Ancient Law, 1861), and into other 19th century influences both Ostrom and Hess were well aware of, such as the economist Emile de Laveleye (De la propriété), will enable us to tell a different story.

The idea of property as a “bundle of rights” was most likely designed by Maine as an illustration of a patrimonial conception of property rights, that Maine discovered in his analysis of the “village-communities” that fascinated him and his contemporaries during the second part of the 19th century. John Stuart Mill, in his Principles of political economy (1848), and Emile de Laveleye were both strongly

interested in these village-communities and they both came to the conclusion that they illustrated a structure of property that was neither individual real property (property as the dominion of one individual over something) nor collectivism. Instead, they represented a complex structure of relations that only controlled some effects of market competition while giving individuals large rights over resources.

Ostrom's own idea that her conception of property as a bundle of rights was close to John Commons must thus be restated. The bundle of rights in Ostrom's work as well as in many works who use a similar frame or simply study the "commons" has nothing to do with Commons' fragmented conception of property rights. Instead, it is a full structure, where each higher "layer" of rights includes the lower one (alienation rights include management rights), which has a two-fold goal: on the one hand, allowing individuals to appropriate resources from the same pool and, on the other hand, making that exploitation sustainable for future generations. This generational component implies the necessity of limiting alienation rights in particular. This explains why a patrimonial conception of property (M. Xifaras, 2004) similar to the one that underlies trusts (Johanna Jacques, 2019) is very well adapted to describing such a structure, which is supported by a set of customary norms and mechanisms. Policies must be adapted to these structural features and can also be inspired by them in both matters of development and sustainability.