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Consensus and Dissension among Economic Science Academics in Mexico¹

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Abstract

We report general and consensus results of a survey administered to a defined population of economic science academics in Mexico. Our results include insights on economic opinions, scientific aspects of economics, scientific activities, countries' economic performances and methodological orientation. Our outcomes show areas of consensus which, at least partially, are consistent with findings in previous studies. Comparisons between our results and those of other studies suggest that consensus could be constant over time and that economics academics in Mexico seems to show similar levels of skepticism about the importance of rationality assumption as those in other latitudes.

JEL classification: A11, A12, A20.

Keywords: surveys; economic thought; academics; economists; Mexico.

Introduction

This paper presents the opinions of Mexican academics on various topics, both of general interest, which do not require specialised economic knowledge, as well as scientific aspects and the state of research and teaching of economics in the country. Urzúa (2007) made the first efforts to administer a survey to members of the economics profession in Mexico. Our work can be considered as a follow-up to this, but targeting an academic population and addressing a greater number of issues.² As with Urzúa (2007), the data collected allows us to identify consensus levels in each area considered.

This paper also presents some basic results of consensus. Kuchař (2014) defines consensus as 'a conventional source of justified beliefs' (p. 1). Studying consensus among economic experts is important because it could have a strong effect on public deliberation, although expert opinion must be perceived as relevant and credible for non experts (Kuchař, 2014).

Learning about the opinions of academics also provides an appropriate perspective of the current state of economics teaching and research in Mexico. Although it is probable that economic thought will change from one generation to another, the ideas of academics now

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² The authors accept to make raw data available on request or together with the published article. Currently, the data is only available in Spanish.

can help predict the development of economic thought in the future, to the extent that the relationship between academics and students is not only the transfer of specialised knowledge, but of lasting ideas.

This document is structured as follows. The first part reviews research related to this work. The second section presents methodological aspects of defining the target population, survey design and data analysis. The third part summarises the main results for questions and statements from all sections of the survey. In illustrative cases, results are compared with those of other studies. Finally, we present concluding remarks.

1. Background

Analysing the opinions of the economics profession is not new. Using formal methodology, Kearl, Pope, Whiting and Wimmer (1979) conducted a questionnaire comprising 30 questions on microeconomic and macroeconomic issues to measure the opinions and degree of consensus among U.S. economists. Later, Frey, Pommerehne, Schneider and Gilbert (1984) obtained results on the degree of agreement for economists in Germany, Austria, France and Switzerland; Block and Walker (1988) did the same for Canada, and Ricketts and Shoemith (1992) for the United Kingdom. These authors essentially followed the questionnaire of Kearl et al. (1979). Similar studies were subsequently conducted in several other countries. Urzúa (2007) examined a large population of economists, with 30 statements in principle based on those originally designed by Kearl et al. (1979), but some were modified or replaced to adapt them to the Mexican context.

These papers generally conclude that there are core topics with high degrees of consensus. In this sense, Caplan (2006) found that, from a survey on public policy issues given to economists as well as non-economists in the United States, there is a high degree of similarity among the opinions of economists, in addition to an important divergence between those of economists and non-economists. In addition, van Dalen (2019) also found large differences in opinions between economists and the general Dutch population. However, these studies also warn that despite many areas of consensus among economists, there is also a relevant divergence and segmentation of thought within the profession, whose degree and subject matter of disagreement varies significantly for various reasons. For example, May, McGarvey and Whaples (2014) found divergent opinions on various topics among female and male economists. Frey et al. (1984) noted that there may be important divergences between economists depending on their country of residence.

While previous studies focused on a general population of economists, Colander and Klamer (1987) presented results of a survey administered to PhD students in economics from six of the most recognised universities in the United States, which Colander (2005) followed up on almost 20 years later. Colander (2008) also conducted a similar analysis of graduate students in Europe, while Lora and Ñopo (2009) and Colander and Ñopo (2011) did so for Latin America. Previously, Gruber (1991) had published an article on Canadian graduate students. Ahumada and Butler (2009) examined the characteristics of six bachelor's degree programs in economics in Mexico, as well as students' opinions about them, while Correa-Mautz (2016) gave surveys to both undergraduate and graduate Chilean economics students.

Although teaching techniques and content have changed, Colander and Klamer (1987) and Colander (2005) assert that graduate education in the United States has tended to focus on transmitting highly specialised knowledge. Also, there is a perception that in Europe and Latin America, to a different extent, universities have adopted US-style postgraduate programs (Colander and Ñopo, 2008; Correa-Mautz, 2016).

The opinions of academics in economics are normally obtained from surveys administered to members of associations of economists,³ which allows surveyors to delimitate the target population in a certain way – but does not ensure that those surveyed are academics. Whaples (2006), who surveyed members of the American Economic Association, reported that 68.1% of respondents indicated the academic sector as their main employer. Frey, Humbert, and Schneider (2010), for members of an association of German-speaking economists, reported that 36% of respondents were professors and 80% were scientifically oriented economists. Stastny (2011), for the Czech Republic, reported 56% were academics. For the Netherlands, van Dalen (2019) reported practically 50% were academic economists. For Mexico, Urzúa (2007) indicated that 60% of respondents worked in public and private universities.

Gámez (1997) and Gámez and García (1999) surveyed a sample composed exclusively of academics in Spain, while De Benedectis and Di Maio (2011; 2016) did the same for Italy, and Mendes de Souza (2015) for Portugal. Horowitz and Hughes (2018) surveyed academic economists in graduate programs in the United States, on their perceptions of capitalist crises. In these studies of academic economists, one finds, as in studies of broader populations of economists, that there are issues of consensus, emphasising that differences of opinion may be due to individual characteristics and academic profiles (De Benedectis and Di Maio, 2011), personal and political values (De Benedectis and Di Maio, 2011; Horowitz and Hughes, 2018; van Dalen, 2019), as well as adherence to schools of thought (De Benedectis and Di Maio, 2016; Mendes de Souza, 2015). Remarkably, van Dalen (2019) finds that the personal values of economists affects their views on both economic and methodological issues.

2. Methodology

2.1. Target Population

De Benedectis and Di Maio (2011) pointed out that previous studies started from loosely defined groups of economists. This work precisely defines a target population of economic science academics meeting the following characteristics: 1) They carry out teaching activities in centres, departments, schools, institutes and faculties offering bachelor's, master's or doctorate programs in economics or significantly related degrees;⁴ 2) They conduct research activities in centres belonging to educational institutions in which economic research is conducted, but not necessarily teaching activities;⁵ and 3) They may have full-time or part-time contracts, which implies that subject-area lecturers are included.

Defining this target population has the following implications. Firstly, not everyone included would have a formal college degree (bachelor's, specialty, master's or doctorate) in economics.⁶ Secondly, despite the above, they are professionals who have economists as colleagues and are directly involved in economic research or economist training, so it is likely

³ For example, in the United States – members of the American Economic Association, and in Canada – members of the Canadian Economic Association. Urzúa (2007) surveyed members of what was Mexico's Colegio Nacional de Economistas (National Association of Economists).

⁴ This was done exceptionally for some institutions such as El Colegio de Tlaxcala and Centro de Investigación en Alimentación y Desarrollo (Centre for Food and Development Research), where postgraduate courses in regional development are taught.

⁵ This means that researchers working in think tanks were not invited.

⁶ In Mexico, an economist is legally considered to be a person who has a bachelor's degree in economics.

they have acquired knowledge in economics.⁷ Note that even if only economists were recruited, it would not be a general population of economists, but one of people engaged in academic activities, whether full-time or part-time.

In April 2017, we asked by email to complete an online questionnaire to 1,315 academics affiliated to Mexican economic teaching and research institutions. This list was created with the support of the Asociación Nacional de Instituciones de Docencia e Investigación Económica, A. C. (National Association of Teaching and Economic Research Institutions - ANIDIE), which issued a communiqué to the directors of economic teaching and research institutions asking them to provide updated lists including the email addresses of their currently working academics. In cases where there was no response or it was not possible to establish contact, the websites of the institutions were consulted.

2.2. Questionnaire

Our online questionnaire included questions used by Colander and Klamer (1987), Correa-Mautz (2016), De Benedectis and Di Maio (2011), Frey et al. (2010), and Urzúa (2007), as well as some prepared expressly. For questions taken from studies in English, we employed translations used in previous studies of Spanish-speaking populations (Correa-Mautz, 2016; Urzúa, 2007), whenever possible, or translated as accurately as possible into Spanish. We used the same answer options displayed in the studies from which the questions were taken, in order to avoid semantic changes and favour comparability.

Table 1 gives the sections of the survey and the number of items that make them up. The survey used in this study is more extensive and addresses more topics than most of previous works. For example, Section I is comparable to what Urzúa did, but with 16 instead of 30 statements. Urzúa (2007) had no items on other topics, except personal data. Colander and Klamer (1987) used fewer items and did not ask about economic performance and research and teaching.

Table 1 Contents of the survey

#	Topic	Contents
I	Economic opinions	16 statements
II	Opinions on the country's economic performance	Two questions
III	Opinions on economics as a science	Six statements
IV	Perceptions of success	Eight statements
V	Importance of studying other disciplines	10 disciplines
VI	Importance of economic assumptions	Seven statements
VII	Methodological orientation	One question
VIII	Research and teaching	Four questions and four statements
IX	Data on persons surveyed	13 questions

Source: Prepared by the authors.

⁷ There is a reason to gather information from academics who are not formally economists. In most cases it was impossible to determine, *a priori*, whether or not the members of the board that was formed were economists.

2.3. Data Analysis

We use entropy in information theory or Shannon entropy to measure the degree of consensus for each question and statement. The entropy index associated with the range of possible answer options for each question or statement is $E = -\sum_{i=1}^n p_i \log_2(p_i)$, where n is the maximum number of effective response options, p_i is the relative frequency for each effective response option, and \log_2 is logarithm base 2. Since cases where respondents do not express an opinion – for example, ‘Don’t know’ or ‘No opinion’ – were treated like missing data, there are questions and statements with three or four effective response options.⁸ Relative entropy is $\varepsilon = E/(\text{maximum possible entropy}) * 100\%$. Possible ε values vary between 0 and 100%. It takes values of 0% when all observations are for only one response and 100% when all are equally distributed in the response options (i.e. uniform distribution). The measurement of ε is not linear, since large changes in the distribution of observations produce small changes in the measurement; in other words, a value of 50% should not be interpreted as the midpoint between total consensus and total dissension. In this work, values of $\varepsilon \leq 80\%$.⁹

One problem with ε is that it does not indicate the direction of consensus, that is, whether there is agreement or disagreement. The calculation of percentages for each response option provides a general view of the direction of the consensus and makes it easier, when relevant and considering methodological differences, to compare the results obtained in similar studies. Since we do not have databases of other studies, no formal statistical tests are conducted in this report to compare distributions.

In previous works on consensus, ε is usually measured only for economic opinion statements, such as those in Section I (see Table 1). We display measurements of ε not only for economic opinions, but also for items in Sections III, IV, V, VI and VIII.

3. Results

3.1. Personal Data (Section IX)

The online survey could be completed between April and July 2017. We received 265 valid responses, giving a response rate of 20.2%. We summarise the profile of the economic science academics as follows:

- Gender: 30.9% female and 69.1% male.
- Age: 14.3% 35 or younger, 26.4% between 36 and 45, 27.2% 46 to 55, 20.8% 56 to 65 and 11.7% 65 or older. The minimum age was 20, the maximum was 75 and the median was 49.
- Academic activity:¹⁰ 89.1% full-time and 10.9% part-time.

⁸ Namely, for the calculation of entropy statistics and percentages, the option ‘Don’t know’ or equivalent were missing data, so the questions and statements have different numbers of answers, with 265 the maximum number of possible answers. Unless otherwise noted, the tables, figures and calculations in this document do not consider missing data. The Appendix has the number and effective response rates for the questions and statements in some sections of the questionnaire.

⁹ Fuller and Geide-Stevenson (2003) also propose using 80% or less, along with the requirement that a majority of respondents choose the same response option. The second criterion is not adopted in this study, since it would be possible to identify statements that enjoy high acceptance or rejection by means of a low level of consensus.

¹⁰ The translated phrasing of the question is: ‘Are you engaged in a full-time academia (research and/or teaching)?’

- Academic institution:¹¹ 87.9% in public institutions, 10.2% in private institutions, 1.1% in both types of institutions and 0.8% did not answer.
- Maximum level of studies: 67.2% with a doctorate, 10.2% with doctorate studies, 16.6% with a master's degree, 4.2% with master's degree studies, 1.1% with a specialty degree and 0.8% with a bachelor's degree or equivalent.
- Field of maximum level of studies: 65.3% in economics; 19.6% in other social sciences; 11.3% in administrative sciences, accounting and finance; and 3.8% in mathematics, statistics and engineering.
- Country where the maximum level of studies was obtained: 69.8% in Mexico, 18.5% in Europe, 9.8% in the United States and Canada, and 1.9% in the rest of Latin America.
- University studies in economics:¹² 93.2% yes and 6.8% no.

One concern about the validity of internet surveys is the degree to which the self-selection of respondents biases or distorts results. In general terms, since this is a population of academics who have access to and, one would expect, are familiar with the use of computers and the internet, we believe that the use of an online questionnaire is not particularly distorting. We also compare some characteristics of respondents to those of the full sample in order to assure that those who responded were representative of the underlying group. Specifically, we find that the percentage of females in the full sample is 30.6%, which nearly coincides with 30.9% of the sample of the respondents. We also know that 9.1% of our entire sample are affiliated to private universities, while this percentage in the sample of respondents is 10.2%.

3.2. Economic Opinions (Section I)

The first section of the questionnaire consists of 16 statements on economic opinions, which in order to allow comparability are basically a subset of Urzúa's 30 statements (2007). Table 2 shows the percentages of responses and the medians for each statement.¹³

¹¹ The phrasing is: 'Indicate institutional affiliation (multiple answers are possible if you are affiliated to more than one institution).'

¹² The phrasing of the question is: 'Is at least one of your degrees (bachelor's, specialty, master's, and/or doctorate) in economics?'

¹³ Using the same database, Andere and Canché-Escamilla (2019) examine the consensus on the propositions of sections I, III and VI of the survey. We discuss their findings below in this paper.

Table 2 Economic Opinions: response frequencies and medians (percentages, medians in bold)

Statements	Strongly Agree	Agree	Disagree	Strongly Disagree
1. Tariffs and import quotas reduce general economic welfare	18	39	39	5
2. Inflation is primarily a monetary phenomenon	9	35	41	15
3. The distribution of income in Mexico should be more equal	68	29	3	1
4. A minimum wage increases unemployment among young and/or unskilled workers	11	24	47	18
5. Central banks should include employment and/or economic growth as one of its objectives	39	39	15	7
6. The level of government spending should be reduced	14	25	46	15
7. The economic power of labour unions should be significantly curtailed	22	35	31	12
8. An international monetary system based on the free-floating exchange rates is effective	13	49	32	5
9. Increased central bank autonomy increases stability and economic growth	27	43	25	5
10. The federal budget should be balanced over the business cycle rather than yearly	19	65	11	4
11. Antitrust laws should be enforced vigorously to reduce monopoly power from its current levels	49	45	5	2
12. Cash payments are superior to transfers-in-kind	13	45	33	10
13. Pollution taxes allow for improved control of pollution rather than the implementation of maximum allowable emission levels	24	48	23	5
14. The energy sector should be treated like any other sector in terms of private investment	18	29	35	18
15. Government should be an employer of last resort	14	39	34	13
16. The redistribution of income is a legitimate role for government	38	43	14	5

Source: Prepared by the authors using own data.
Percentages do not necessarily add up to 100% due to rounding.

Table 3 includes the results of ε for the 16 statements in our study and in Urzúa (2007). By comparing them with the results of Urzúa (2007) we explored whether some opinions have changed over time. One methodological difference is that Urzúa (2007) focused on economists who did not necessarily have academic activities, whereas we included economists and non-economists having academic activities in the field of economics. Another difference is that, although both studies gave online surveys, Urzúa (2007) did not ask a predefined list of respondents to answer its questionnaire. In addition to these methodological differences, since we do not have the data from Urzúa (2007), no tests were carried out to verify that the distributions of the responses to each statement are statistically equal.

Table 3 Economic opinions: relative entropies, Mexico, 2007 and 2017 (percentages)

Statements	This study (2017)	Urzúa (2007)	Statements	This study (2017)	Urzúa (2007)
1	85	87	9	87	87
2	89	94	10	70	69
3 ^{a/}	56	61	11	66	64
4	90	93	12	87	84
5	87	93	13	86	82
6 ^{b/}	91	91	14	97	98
7	95	88	15	92	92
8	82	82	16	83	75

Source: Prepared by the authors using own data and data from Urzúa (2007).

^{a/} The Spanish phrasings differ in this study and in Urzúa (2007). The translated phrasing in Urzúa (2007): see footnote 13.

^{b/} The Spanish phrasings differ in this study and in Urzúa (2007). The translated phrasing in Urzúa (2007): 'The level of government spending should be reduced.'

Table 3 shows that only three statements have $\varepsilon \leq 80\%$. Urzúa (2007), who did not use this threshold as a reference, obtained four of these statements, or their equivalents, with $\varepsilon \leq 80\%$. The three statements with the highest consensus (lower ε) in this study are:

- Statement 3: 'The distribution of income in Mexico should be more equal.'
- Statement 11: 'Antitrust laws should be enforced vigorously to reduce monopoly power from its current levels.'
- Statement 10: 'The federal budget should be balanced over the business cycle rather than yearly.'

These three statements, which are the same with the highest consensus in the Urzúa study (2007), have $\varepsilon \leq 80\%$. Although the populations examined in this study and by Urzúa (2007) are not identical, the results suggest that people with links to economics may not have changed the topics with which they have the highest consensus over the last ten years.

Statement 3 (income distribution in Mexico) has the highest consensus. The most frequent response is to strongly agree that income distribution in Mexico is not equal, while only 4% of those surveyed expressed some degree of disagreement with this statement. Statement 3 has higher consensus than a more general question, not restricted to Mexico, prepared by Urzúa (2007).¹⁴ A possible explanation of this higher consensus is that Mexico is perceived by respondents as an especially unequal country.

Statement 16 (government redistribution), which is related to Statement 3, also has a relatively high level of consensus (it is the fifth statement with the lowest ε), although it does not meet $\varepsilon \leq 80\%$. In addition, 19% of respondents disagreed or strongly disagreed that the government was entitled to redistribute income. Together, the results of these two statements suggest that there is a high consensus among economic science academics that there is high inequality in the country and that, although relaxing $\varepsilon \leq 80\%$, the government should intervene to correct it.¹⁵

Statement 11 (antitrust laws), has the second highest consensus, with an ε of 66%, like the 64% that Urzúa (2007) reported ten years earlier. 94% agree or strongly agree with this statement, which indicates that respondents agree that markets in Mexico have insufficient competition. In 2013 and 2014, constitutional and legal reforms strengthened and

¹⁴ The phrasing of Urzúa's statement (2007) is: 'The distribution of income within countries, as well as between countries, should be more equal.'

¹⁵ As can be seen in Table 3, Statement 16 had an ε value of less than or equal to 80%.

gave autonomy to the antitrust authorities, so that these reforms would be in accordance with the majority opinion among respondents.

Statement 10 (balanced budget), had the third highest consensus, with an ε value similar to that reported by Urzúa (2007). The author mentioned that in 2006 the Mexican Congress approved a bill that went in the opposite direction to this proposal, a situation that has not changed to date.

The statements with the lowest consensus are:

- Statement 14. 'The energy sector should be treated like any other sector in terms of private investment.'
- Statement 7. 'The economic power of labor unions should be significantly curtailed.'
- Statement 15. 'Government should be an employer of last resort.'

Statement 14 (energy sector) was also the lowest consensus ten years earlier, according to Urzúa (2007). Historically, in Mexico both economists and non-economists have had conflicting positions regarding the energy sector. Asking the question again was important because at the end of 2013 the Mexican Congress approved an energy reform that allows for a substantial increase in private participation in the hydrocarbon sector. Table 2 shows that 53% of respondents disagreed or strongly disagreed with the statement; Urzúa (2007) reported that 56% of its respondents agreed or strongly agreed. Although the populations examined in this paper and by Urzúa (2007) are not the same and the distribution of their responses is not formally compared, the results suggest that after the energy reform there is still significant dissension, but with a slight shift of the majority towards not treating the energy sector as any other economic activity.

Statement 7 (labor unions' power), the second with the least consensus, has ε equal to 95%, up from 85% as measured by Urzúa (2007). 57% of those surveyed expressed agreement or strong agreement with limiting the economic power of unions, which is much higher than the 27% reported by Urzúa (2007); although the consensus is low or there is no consensus, the majority position has gone from not supporting this proposal to favouring it.

Statement 4 (minimum wage), the eleventh highest consensus, is related to Statement 7. Although Statement 4 has shown high degrees of consensus in previous studies for other countries, Urzúa (2007) reported it as having the third least consensus. We found that 65% disagree or strongly disagree with this statement, while Urzúa (2007) reported 45%, indicating a significant shift in opinion on this issue. In recent years, the minimum wage has been the subject of academic and political debate. It has recently had nominal increases to an extent not observed in the last 20 years. From the 1980s to 2016, the minimum wage was used as a nominal anchor for the economy. In 2017 the minimum wage increased 9.6%, in 2018 it increased 10.4% and in 2019 a minimum wage was created in the border area of the country, which implied an increase of 100% in that area, while in the rest of the country it increased 16.2%. In this case, the legal and public policy changes that have recently affected the labour market are in line with the majority, albeit polarised, view of those surveyed: increasing the minimum wage and limiting the power of trade unions.

Statement 15 (government employment), with the third least consensus, is also related to the labour market. This statement has the least difference between those who support this policy and those who do not, – 53% of respondents agree with this statement.

Statement 1 (free trade) is relevant because the Mexican government recently renegotiated the terms of the North American Free Trade Agreement with its U.S. and Canadian counterparts. Our study found that 57% of respondents agree that hampering international trade reduces general welfare, although the ε value of the proposal is less than

80% (the sixth highest consensus). Urzúa (2007) reported 48% of respondents expressing agreement with this statement, which suggests an increase in support for free trade among the population linked to economics.

Consensus literature commonly presents results on the relationship between positive and normative beliefs. Friedman (1953) argues that discrepancies among economists about economic policies are not the result of subjective differences, but of different predictions about policy consequences. Keurl et al. (1979) have also proposed that microeconomic statements should provoke a greater consensus than macroeconomic ones.

We created a matrix that organises 12 of the statements based on the positive-normative and micro-macro dichotomies:¹⁶

- Micro positive: statements 1 (free trade), 4 (minimum wage), and 13 (pollution taxes).
- Macro positive: statements 2 (inflation as a monetary phenomenon), 8 (flexible exchange rates), and 9 (central bank autonomy).
- Micro normative: statements 7 (union power), 11 (antitrust laws), and 14 (energy sector).
- Macro normative: statements 5 (dual mandate of central banks), 6 (reduce government spending), and 15 (government employment).

Based on this matrix, we tested the hypotheses described above through a 2 x 2 analysis of variance with ε as the dependent variable. The F values were 0.04 for the positive-normative factor and 0.1 for the micro-macro factor each with 1 and 8 degrees of freedom. The corresponding p values of the F statistic were 0.84 and 0.76, so the null hypothesis of positive-normative and micro-macro similarity is not rejected at a significance level of 5%. The interaction is also not significant ($F = 0.19$ and $p = 0.67$). For this reason, levels of consensus among economic science academics in Mexico do not seem to depend on the positive-normative or the micro-macro nature of the statements. Urzúa (2007) found similar results.¹⁷

3.3 Opinions on economics as a science (Section III)

Although the consensus analysis is normally focused on economic opinions, we extend the estimation of ε to propositions related to scientific aspects of economics, academic activities or studying disciplines other than economics. It is justified in that some initiatives have been carried out in Mexico to standardise the teaching of economics. Particularly, ANIDIE is an association of economics schools, faculties and departments whose members in 1997 signed the so-called 'Tepic Agreement' (*'Acuerdo de Tepic'*) which notoriously included the approval of a basic table of subjects (*cuadro básico de asignaturas*) that proposed common subjects and basic bibliography and that, shortly after, served as a basis for some schools to modify their study plans (Canché-Escamilla, 1999). This basic table of subjects was last reviewed and updated in 2016.

Table 4 shows the respondents' opinions on six statements of economics as a scientific discipline. Statements 1 to 5 are based on Colander and Klamer (1987) and Correa-

¹⁶ Any classification of statements on grounds of positive-normative and micro-macro dichotomies is debatable. For example, Urzúa (2017) proposes to classify the statements on income distribution as microeconomic, while Keurl et al. (1979) do not classify them as microeconomic nor as macroeconomic. We follow to Keurl et al. (1979) by excluding statements 3 and 16. We also exclude Statement 12 (cash vs. transfers-in-kind) because it has the highest non-response rate (see Appendix), as well as Statement 10 (balanced budget) since it contains both the word 'should' and has a technical connotation. In general, following Keurl et al. (1979) we classify as normative the propositions worded with 'should' (Spanish: *'debería'*).

¹⁷ This analysis is limited but a deeper study of this subject goes beyond the objectives of this paper.

Mautz (2016), while we prepared Statement 6 (experiments in economics). All statements have ε values above 80%, which does not meet the criterion of $\varepsilon \leq 80\%$. Even the answers for Statement 5 (scientific status of economics) and Statement 6 are practically distributed in thirds, giving the highest ε values for the entire survey. So we find that the greatest dissension among respondents concerns scientific issues.

Table 4 Opinions on economics as a science: response frequencies, medians and relative entropy (percentages, medians in bold)

Statements	Strongly Agree	Somewhat Agree	Disagree	ε
1. Neoclassical theory is relevant to current problems	33	49	17	93
2. Economists agree on fundamental issues	12	37	51	87
3. It is possible to draw a sharp line between positive and normative economics	23	50	27	95
4. Learning neoclassical economics means learning a set of tools	31	50	19	93
5. Economics is the most scientific social sciences	35	29	36	100
6. Because of its social nature, controlled experiments cannot be carried out in economics.	30	34	36	100

Source: Prepared by the authors using own data.
Percentages do not necessarily add up to 100% due to rounding.

We identify majority opinions on some issues. The answers to statements 1 and 4 suggest a majority acceptance of the importance of the so-called Neoclassical economics, but it does not mean consensus. As for Statement 2, which had the smallest ε , 51% of respondents disagree that economists agree on fundamental issues. On Statement 3, 50% of respondents agree somewhat with the idea that it is possible to distinguish between positive and normative economics, while the rest is divided, almost equally, between strongly agreeing or disagreeing.

These results can be compared with a variety of papers. Fuller and Geide-Stevenson (2014) report only 18.7% of their U.S. respondents agreeing that it is possible for economists to separate their policy prescriptions from their normative values. For Chile, Correa-Mautz (2016) finds similar results except with those of Statements 2 and 3, although comparisons are not straightforward because he surveyed a population of economics students. van Dalen (2019) put Statement 3 (positive and normative economics) to academic and applied Dutch economists and used a five-effective response Linkert scale despite our four-effective response scale. van Dalen (2019) finds 35.4% of respondents disagreeing to sharply distinguishing between positive and normative economics, while we found 27%.

We invite the readers to conclude whether our results show a higher confidence in the separation between positive and normative economics in Mexico.

3.4. Perceptions of Success (Section IV)

Respondents indicated their opinion on eight skills that could place an economist or future economist on the road to success.¹⁸ The purpose of the question is to gain an understanding of the perceptions that academics have about the most important skills that would make them successful professionals. The statements were taken from Colander and Klamer (1987) and, for Spanish phrasing, from Correa-Mautz (2016), and we prepared Statement 8 (prominent professionals).¹⁹ Table 5 gives the response percentages, the median and the ε for the eight skills. Only Statement 7 (prominent teachers) and Statement 8 did not obtain $\varepsilon \leq 80\%$.

Table 5 Perceptions of success: response frequencies, medians and relative entropy (Percentages, medians in bold)

Statements	Very important	Moderately important	Unimportant	ε
1. Being very knowledgeable about one particular field	51	46	3	72
2. Being interested in, and good at, empirical research	55	42	3	73
3. Having a broad knowledge of the economics literature	68	30	2	64
4. Having a thorough knowledge of the economy (economic system)	60	35	5	74
5. Being smart in the sense that they are good at problem-solving	67	31	3	66
6. Excellence in mathematics	36	58	7	79
7. Ability to make connections with prominent professors	27	55	18	90
8. Ability to make connections with prominent professionals	37	56	7	81

Source: Prepared by the authors using own data. Percentages do not necessarily add up to 100% due to rounding.

The two skills with the highest consensus are:

- Skill 3. ‘Having a broad knowledge of the economics literature.’
- Skill 5. ‘Being smart in the sense that they are good at problems solving.’

These skills are also the ones that the highest percentages of respondents indicated that they strongly agreed would put an economist on the path to success.

The two skills with the least consensus, the only ones with ε values above 80%, are:

- Skill 7. ‘Ability to make connections with prominent professors.’
- Skill 8. ‘Ability to make connections with prominent professionals.’

¹⁸ The question was phrased as follows: ‘How important are the following characteristics to place an economist or future economist on the road to “success”?’

¹⁹ Also, in Statement 4 (knowledge of economics), the text ‘(economic system)’ was added to prevent Spanish-speaking survey recipients from confusing *economía* as an economic system with *economía* (economics) as a discipline.

Skills 7 and 8 emphasise social, not cognitive, aspects. Both skills are among the three with the lowest percentages of respondents who consider them very important to place an economist or future economist on the road to success. Table 5 shows that as agreement increases regarding the importance of the skill, ε generally decreases (i.e. higher consensus). The distribution of responses suggests that respondents prefer the development of academic skills.

3.5. Importance of Studying other Disciplines (Section V)

Respondents commented on the importance of ten disciplines for educating economists.²⁰ We take eight of these disciplines from Colander and Klamer (1987), while biology and law were newly included. Table 6 provides information on response percentages, medians and ε . In general, the disciplines with the highest consensus are also the most valued. For economic science academics, the four disciplines in which there is the greatest consensus, which obtained $\varepsilon \leq 80\%$, are mathematics, history, political science and computer science. The same disciplines, in that order, have the highest percentages of respondents who considered them to be very important. Philosophy and psychology have the least consensus, while physics and biology, by far, have the least acceptance.²¹

Table 6 Importance of studying other disciplines: response frequencies, medians and relative entropy (Percentages, medians in bold)

Disciplines	Very important	Important	Moderately important	Unimportant	ε
1. Biology	5	13	38	44	82
2. Computer science	34	46	20	1	78
3. Political science	37	46	17	1	77
4. Law	19	38	37	5	87
5. Philosophy	27	34	31	8	92
6. Physics	3	20	38	39	84
7. History	50	37	12	1	73
8. Matematics	61	33	6	0	60
9. Psychology	12	34	42	11	89
10. Sociology	32	46	20	2	81

Source: Prepared by the authors using own data.
Percentages do not necessarily add up to 100% due to rounding.

²⁰ The phrasing is: 'How important is it for economists to be trained in the following disciplines?'

²¹ It is an expected result, since they are natural sciences, although physics is the paradigm from which Neoclassical economics was developed, while biology is the foundation of evolutionary economics, an emerging approach to economics. This may be because there is no longer an evident association between the dominant economic analysis and its origin in physics, while the evolutionary economics is still a field with little presence in Mexican academia. In fact, only 14.7% indicated the evolutionary economics within its methodological orientation.

3.6. Importance of Economic Assumptions (Section VI)

Table 7 provides information on response percentages, medians and ε for seven statements on economic assumptions. The selection of assumptions is based on Colander and Klamer (1987) and Correa-Mautz (2016). Four of the seven assumptions have ε values less than or equal to 80%. The two assumptions that enjoy both greater consensus and greater acceptance are associated with the New Keynesian economics: imperfect competition and price rigidities. The assumption with the least consensus states that the objective of a capitalist firm is to extract surplus value from its workers, a proposal associated with the Marxist movement.

Table 7 Economic assumptions: response frequencies, medians and relative entropy (percentages, medians in bold)

Assumption	Important	Somewhat important	Not important	ε
1. Neoclassical assumption of rational behaviour	28	58	14	86
2. Behaviour according to conventions	19	66	15	79
3. Rational expectation hypothesis	28	59	13	85
4. Imperfect competition	57	39	4	74
5. Price rigidities	30	64	7	76
6. Cost mark-up pricing	40	55	5	78
7. The objective of a capitalist firm is to extract surplus value from its workers	28	48	24	96

Source: Prepared by the authors using own data.
Percentages do not necessarily add up to 100% due to rounding.

We found some similarities between our results and that of van Dalen (2019). Particularly, it seems that in both cases imperfect competition assumption enjoys firm support by respondents, while rationality assumption shows relatively weak support. For the sake of comparison, Fuller and Geide-Stevenson (2014) found a modest consensus of agreement with their statement that macroeconomic models based on ‘representative, rational agents’ yield generally useful and reasonably accurate prediction.

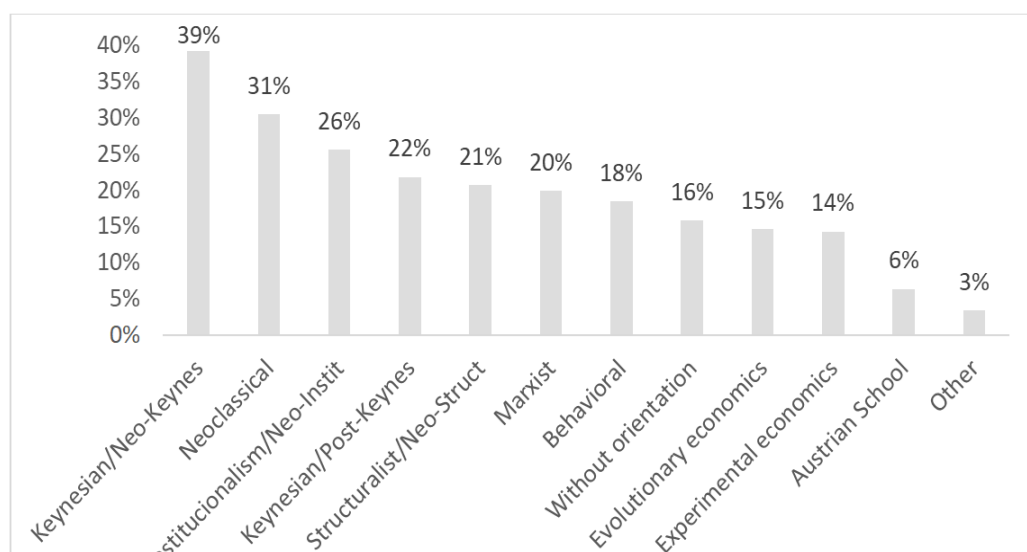
Following the lead of Fuller and Geide-Stevenson (2014), Andere and Canché-Escamilla (2019) labelled the propositions on economic opinions, economics as a science, and economic assumptions as showing strong, substantial, modest or no consensus;²² they also divided the respondents between those who consider that economists agree on fundamental issues and those who do not (Statement 2 of Table 4). They concluded that respondents who consider that economists agree on fundamental issues tend to exhibit both higher degrees of consensus towards more favourable views on an open economy and Neoclassical economics. Andere and Canché-Escamilla (2019) found that lower levels of consensus would derive from the opinions of respondents with less favorable views towards the basic tenets of the Neoclassical economics (as they are displayed in the statements of the survey’s sections III and VI).

²² They constructed an overall consensus index by employing three measures of consensus: 1) $\varepsilon \leq 80\%$; 2) Rejecting the null hypothesis of a chi-square test of goodness of fit to a uniform distribution of responses; and 3) Adding the percentages of those who expressed some degree of agreement with the statements.

3.7 Methodological Orientation (Section VII)

Figure 1 gives results on the schools of economic thought to which the respondents stated to be adhered.²³ The list of schools of thought, adapted to the Mexican context, was based on Frey et al. (2010) and De Benedectis and Di Maio (2011). Respondents did not have limits to indicate the number of schools of thought with which they identify, so the sum of percentages in Figure 1 exceeds 100%. The schools with the highest support are Keynesian/Neo-Keynesian (39%), Neoclassical (31%) and Institutionalism/Neo-Institutionalist (26%). The Austrian School (6%), experimental economics (14%) and evolutionary economics (15%) are the schools with the fewest supporters, while 16% of respondents reported no specific methodological orientation.²⁴

Figure 1 Methodological orientation: schools of thought (Percentages)



Source: Prepared by the authors using own data.
Single fitted column.

3.8 Research and teaching (Section VIII)

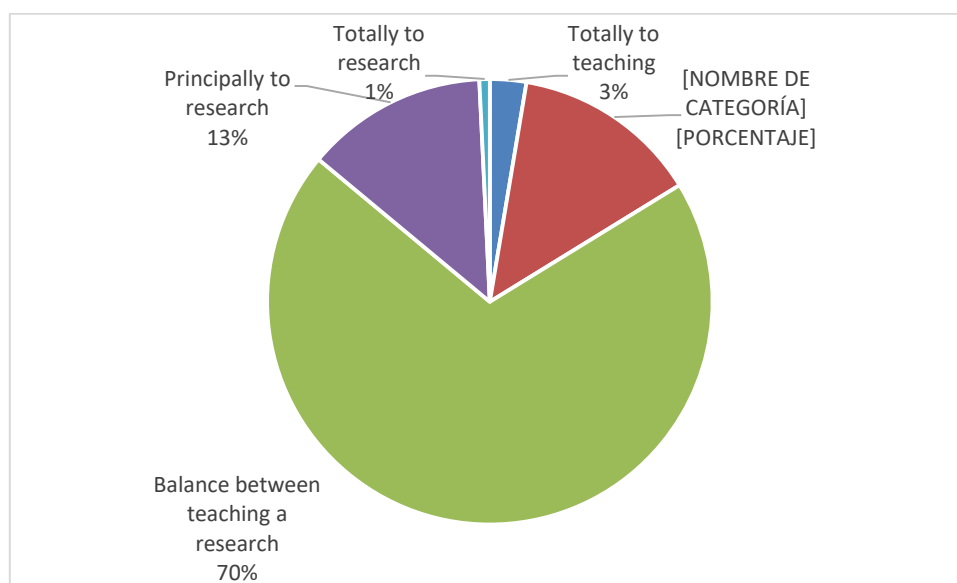
Our survey contains items on academic activities, in order to learn about orientations and work interests. The questions and statements were prepared by the authors or were taken and adapted from Frey et al. (2010) and De Benedectis and Di Maio (2011). Figure 2 shows that 70% of respondents answered that their teaching and research activities are balanced, while 16% indicated that they put more emphasis on teaching and 14% that they put more emphasis on research.²⁵

²³ The phrasing of the question is: 'How would you define your methodological orientation?'

²⁴ Includes only those who responded: 'No specific methodological orientation.' Some respondents responded to the above, plus some other guidance; what they did was considered in the orientation that best fit.

²⁵ The phrasing of the question is: 'How would you describe the orientation of your academic activities?'

Figure 2 Research and teaching: orientation of the academic work (percentages)



Source: Prepared by the authors using own data.
Single fitted column

Table 8 gives the results on the characteristics of the scientific work of those surveyed.²⁶ The largest proportion of academics surveyed have empirical or applied interests, while the theoretical approach has the lowest preference.

Table 8 Research and teaching: nature of scientific work, Mexico and Germany (Percentages)

Response option	Economists in Mexico (2017)		Economists in Germany (2006)
	Four response options	Adjustment to three response options	
Mainly theoretical (pure research)	15	16	34
Mainly empirically oriented	45	50	36
Aiming at policy advice	31	34	30
None of the above	10	—	—

Source: Prepared by the authors using own data.
Percentages do not necessarily add up to 100% due to rounding.

For indications of differences in preferences in Mexico and Germany, Table 8 also shows the results for the same question that Frey et al. (2010) asked German economists. A methodological difference between our study and Frey et al.'s study (2010) is that the population surveyed by the later authors is not composed predominantly of academics, although 80% indicated that they are scientifically oriented. For ease of comparison, data are filtered to include only respondents with formal studies in economics (bachelor's, specialty, master's and doctoral degrees). Another relevant difference is that Frey et al. (2010) did not

²⁶ The phrasing of the question is: 'How would you characterize your scientific work?'

include the answer option ‘None of the above’, so to achieve a better comparison this option was excluded and the rest – pure, empirical and public policy research – was adjusted to 100%. The main difference between academic economists in Mexico and economists in Germany is that the distribution of the German economists’ interests tends to be homogeneous, while the Mexican economists have a more marked interest in empirical research.

Table 9 gives the percentages of respondents by field of research and teaching.²⁷ Following De Benedectis and Di Maio (2011), the fields of research and teaching were categorised according to the classification of the *Journal of Economic Literature*. Respondents did not have limits to indicate the number of research and teaching fields in which they were interested, so the percentages exceed 100%. On research, ‘Economic Development, Technological Change, and Growth’ was by far selected the most selected field (43%), while ‘Law and Economics’ was the least selected one (5%). On teaching, ‘Microeconomics’ was selected the most (38%), while again ‘Law and Economics’ was the least (4%). There are three fields in which more than 20% of respondents identify both as one of their research and teaching fields: ‘Microeconomics’, ‘Macroeconomics and monetary economics’ and ‘Economic Development, Technological Change, and Growth.’ ‘Mathematical and Quantitative Methods’ and ‘International Economics’ came close to meeting the above criterion, while ‘Law and Economics’ and ‘Economic Systems’ have less than 10% of mentions in both research and teaching.

Table 9 Research and teaching: fields of research and teaching (Percentages)

Fields of research and teaching	Research	Teaching
History of Economic Thought, Methodology, and Heterodox Approaches	16	15
Mathematical and Quantitative Methods	19	29
Microeconomics	22	38
Macroeconomics and Monetary Economics	24	32
International Economics	19	22
Financial Economics	14	16
Public Economics	19	15
Health, Education, and Welfare	19	9
Labour and Demographic Economics	16	10
Law and Economics	5	4
Industrial Organisation	15	15
Business Administration and Business Economics; Marketing; Accounting	14	11
Economic History	14	15
Economic Development, Technological Change, and Growth	43	29
Economic Systems	9	9
Agricultural and Natural Resource Economics; Environmental and Ecological Economics	20	15
Urban, Rural, and Regional Economics	24	18
With no specific field	2	0

Source: Prepared by the authors using own data.

²⁷ The phrasing is: ‘From the following list, indicate your fields of RESEARCH/TEACHING (as classified in the *Journal of Economic Literature*). Multiple answers are possible.’

Table 10 gives response percentages, medians and ε for four statements regarding views on the state of economic teaching and research in the country. Statements 4.1 and 4.2 focus on teaching, Statement 4.3 on research, and Statement 4.4 on pluralism in economic science. The only two statements that have consensus, measured by $\varepsilon \leq 80\%$, are statements that are not focused on teaching.

Table 10 Research and teaching: response frequencies, medians and relative entropy (percentages, medians in bold)

Statement	Strongly Agree	Agree	Disagree	Strongly Disagree	ε
4.1. Currently the teaching of economics is too theoretical, without focus on real problems	14	44	36	6	84
4.2. The way of teaching economics has remained the same since the time when I was a student	11	31	47	11	87
4.3. Research published in Mexico uses novel approaches and/or methods	5	40	48	8	76
4.4. Currently, economics is in a stage of pluralism, in which neoclassical economics coexist with a variety of new approaches within the mainstream	20	62	15	3	73

Source: Prepared by the authors using own data.
Percentages do not necessarily add up to 100% due to rounding.

Statement 4.4 (pluralism in economics) obtained the highest consensus, with a large majority of respondents agreeing with it. This question is relevant because there is controversy between professional and student movements that ask for a greater plurality of approaches in the discipline, as opposed to other authors who consider that there is pluralism. The consensus of the economic science academics in Mexico would be on the side of the latter. In this sense, Castañeda (2015) maintains that currently economics is 'in a stage of pluralism, in which Neoclassical orthodoxy coexists with a great variety of approaches at the cutting edge of the economics that develops within the mainstream' (p. 435, own translation). However, Castañeda (2015) also points out that in Mexico there is a lack of pluralism in the programs of study of economics at leading Mexican universities, at both undergraduate and graduate levels.

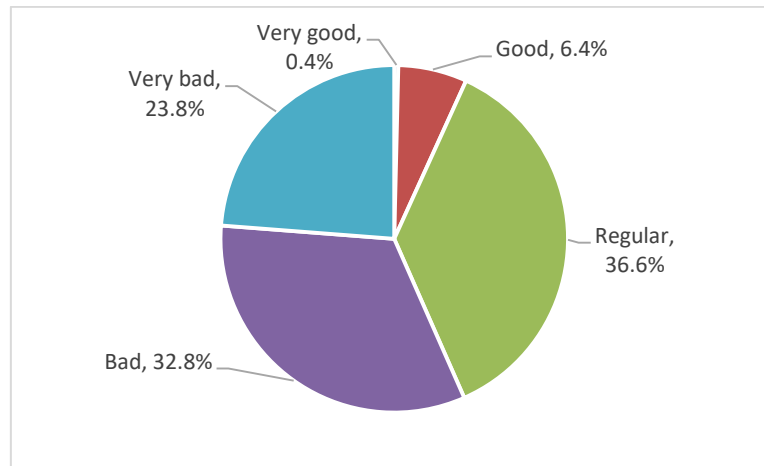
The results show both positive and negative views on the state of the economics academia. The majority view, with consensus, is that there is pluralism in economics (Statement 4.4), but at the same time, the research is not innovative (Statement 4.3). On this apparent paradox, Castañeda (2015) maintains that, in general, economic research conducted in Mexico can be found on the opposite extremes of economic thought (mainstream Neoclassical and heterodox) but does not usually appeal to *the edge of economics*.²⁸ The discussion is open.

²⁸ Castañeda (2015) uses the Spanish term *vanguardista* to refer that Colander, Holt, and Rosser Jr. (2004) name *the edge of economics*. Castañeda (2015) does not necessarily identify *vanguardia* with frontier knowledge, nor does he indicate that frontier research must resort to methods and theories at the edge of economics, but that to provide new knowledge it must reject the canons of heterodoxy or Neoclassical orthodoxy.

3.9. Opinions on the Country's Economic Performance (Section II)

Figure 3 shows the respondents' assessment of the country's economic situation.²⁹ Pessimism predominates, as 56.6% consider it to be bad or very bad.

Figure 3 Country's economic performance: assessment of the current economic situation (percentages)



Source: Prepared by the authors using own data.
Single fitted column

Table 11 presents the response percentages according to the assessment on the economic situation in the next five years.³⁰ Pessimism continues: only 11% of respondents who consider the economic situation to be bad or very bad believe it will improve.

Table 11 Economic performance: economic situation in the next five years (Percentages)

	Believe it will improve	Believe it will stay the same	Believe it'll get worse	Don't know
Everybody	20	44	33	3
Very good	100	—	—	—
Good	47	53	—	—
Regular	27	54	19	1
Bad	11	51	31	7
Very bad	11	16	70	3

Source: Prepared by the authors using own data.
Percentages do not necessarily add up to 100% due to rounding.

4. Final Comments

This document presents results of an opinion survey of economic science academics in Mexico. Previous studies have concluded that there is a set of topics for which people linked

²⁹ The phrasing of the question is: 'How would you assess the country's current economic situation?'

³⁰ The phrasing of the question is: 'In the next 5 years, will the country's economic situation improve, be the same or worse than it is today?'

to economics have consensus. With the particularity of having general interest and specialised items, our basic results confirm that there is some consensus, but it is not a generalised situation, with variations according to the topic. For example, statements on economic opinions, in which the level of consensus has traditionally been measured in previous studies, seem to have less consensus than statements on factors that make an economist successful, but enjoy greater consensus than statements on scientific aspects of economics.

As for economic opinions, the statements that generated the highest consensus are related to unequal income distribution and stricter enforcement of antitrust laws in the country. Urzúa (2007) found that these statements also elicited greater consensus ten years earlier, so there is likely to be a time-resistant consensus. This assertion should be taken with caution, as there are methodological differences and the lack of data precludes cross-checking by formal statistical testing.

There is an important consensus about the factors that position economists or future economists on the road to success. In general, there is agreement on the importance of academic skills, while the ability to make connections with prominent people has no consensus nor acceptance.

The disciplines that are considered the most important for economics, which also have the highest consensus, are mathematics, history, political science and computer science. The economic assumptions that also had greater consensus and acceptance are imperfect competition and price rigidities, both related to the New-Keynesian approach.

Our results show that there is dissension. The most dissenting economic opinions are on investment in the energy sector and the control of union power, the same situation Urzúa (2007) found. If the comparison of results between this study and Urzúa (2007) suggests that the consensus may be persistent over time, the same goes for dissension. There is also dissension in the status of economics as a science, as well as on theoretical assumptions linked to Marxism or the rationality of economic agents. In general, the most divergent opinions refer to scientific aspects of economics.

Our results in this paper also allow us to delineate some comparison with the international situation. For example, there is an apparently higher confidence in drawing a sharp line between positive and normative economics in Mexico than in other parts of the world. At the same time, Mexican academia seems to show similar level of skepticism about importance of rationality assumption in comparison to economics professionals in other latitudes.

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Appendix Number and effective response rates

Section I			Section III			Section IV		
#	Obs.	%	#	Obs.	%	#	Obs.	%
1	257	97.0	1	263	99.2	1	264	99.6
2	259	97.7	2	262	98.9	2	264	99.6
3	264	99.6	3	255	96.2	3	264	99.6
4	254	95.8	4	261	98.5	4	264	99.6
5	260	98.1	5	259	97.7	5	263	99.2
6	261	98.5	6	262	98.9	6	264	99.6
7	260	98.1				7	263	99.2
8	255	96.2				8	263	99.2
9	260	98.1						
10	257	97.0						
11	263	99.2						
12	206	77.8						
13	251	94.7						
14	258	97.4						
15	260	98.1						
16	263	99.2						

Section V			Section VI			Section VIII		
#	Obs.	%	#	Obs.	%	#	Obs.	%
1	256	96.6	1	264	99.6	4.1	264	99.6
2	261	98.5	2	254	95.8	4.2	261	98.5
3	265	100	3	264	99.6	4.3	260	98.1
4	263	99.2	4	264	99.6	4.4	259	97.7
5	261	98.5	5	261	98.5			
6	259	97.7	6	261	98.5			
7	265	100	7	260	98.1			
8	265	100						
9	264	99.6						
10	265	100						

Source: Prepared by the authors using own data.

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Economics' Wisdom Deficit and How to Reduce It

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Abstract

As is well understood, the values inherent in the dominant neoclassical economic paradigm are self-interest and optimisation. These are the values that guide individuals and policymakers in advanced capitalist economies in their economic decision making. As a consequence, the economics discipline, arguably, is insufficiently oriented to helping people and organisations make wise choices, choices about what is really and truly in people's best interests. In other words, there is strong reason to believe that economics has a wisdom deficit.

This paper draws on great philosophers such as Aristotle to explain what wisdom is and why, although economics is concerned with the normative aspect of decision making, economics has too infrequently been used to help people or their societies make wise decisions. This paper is also concerned with how a society's economic decision-making processes can be improved in order that these processes incorporate a much greater dose of wisdom. One relevant question here is: can we learn with the help of philosophers, psychologists and organisation researchers how to make economic decisions that apply the practical wisdom that Aristotle advocated?

This paper's overall purpose is first to point the way toward greater decision-making wisdom, and second to propose one method for improving the wisdom of important economic-related decision making. Hopefully, this paper will serve to put the issue of decision-making wisdom higher on the agenda of economists and, as a consequence, lead to wiser decisions in the economic sphere, thereby reducing the wisdom deficit.

Introduction and Purpose of Paper

Richard Thaler (2015, p. 345) likes to use the phrase 'nudge for good'. He points out that nudges are merely tools that have the potential to help people become better off. But he also points out that people can be nudged by businesses or governments with bad intentions, and that can lead to outcomes that are not good for them. Naturally, he hopes the latter will not happen and that nudges will only be used for good. If economists were advising on what nudges to use, would they have the wisdom to recommend only good nudges, and more generally, only good government programs? There is reason to believe that, given the values inherent in the dominant neoclassical paradigm and even the main strands of behavioural economics, economists may too often give unwise advice about these matters. The economics discipline, it seems, is insufficiently oriented to helping people and organisations make wise choices, choices related to what is really and truly in people's best interests. In other words, there is strong reason to believe that economics has a wisdom deficit.

This paper explains what wisdom is and why, although economics is concerned with decision making, particularly the normative aspects of decision making, economics has too infrequently been used to help people or their societies make wise decisions. In other words, economics is insufficiently oriented to helping people make decisions that are really right and best for them. Economics has mainly been oriented to helping people make decisions that enable them to get more of what they happen to want or desire most.

This paper is also concerned with how a society's economic decision-making processes can be improved in order that these processes incorporate a much greater dose of wisdom. One relevant question here is: can we learn how to make economic decisions that apply the practical wisdom that Aristotle advocated? Obviously, attempting to change the way societies make decisions so that their decisions will reflect wisdom would be a huge task, one which is largely beyond the scope of this paper. The goal of this paper is more modest. This paper's purpose is first to point the way toward greater decision-making wisdom, and second to propose one method for moving in this direction. Clearly, people would be much better off if they and their organisations and societies could learn how to make wiser economic decisions at least on the most important matters. Hopefully, this paper will serve to put the issue of decision-making wisdom higher on the agenda of economists and, as a consequence, lead to wiser decisions in the economic sphere.

Differing Views on How Economic Choices Are or Should Be Made

Neoclassical Economics: Normative and Descriptive Decision Making

To consider how economic choices might be made more wisely, it is first necessary to consider carefully the two different contemporary views regarding how consumer choices are or should be made. First is the neoclassical economics (NE) view, also referred to here as the standard economics or mainstream economic view. The essence of the normative NE view is that rational choice involves optimisation. This means that consumers should choose to purchase the set of goods that will maximise their utility (see, for example, Yuengert, 2012, pp. 14-19). Using mathematics, neoclassical economists represent this as: Maximise $U(X) = U(x_1, x_2, \dots)$. This means choose the consumer goods, x_i , that maximise U (utility) subject to the condition that the sum of one's expenditures on goods must be less than or equal to the individual's income (Y). In other words, where p_i is the price of good i , the sum of expenditures ($p_1x_1 + p_2x_2 + \dots$) cannot exceed Y . NE's positive (or descriptive) view of how people behave is exactly the same as the normative view. Note that a more complete version of the NE model of consumer choice would include such factors as uncertainty, resource endowments, multiple time periods, possible constraints, and strategic considerations. It is also important to note that according to NE, people behave in an entirely self-interested manner; they derive maximum utility or satisfaction from whatever goods they want or desire. Within NE, there is no attempt to question the substance or legitimacy of the goods people desire and acquire.

Psychological Economics: Normative and Descriptive Decision Making

Next let's consider psychological economics (PE), the strand of behavioural economics deriving from the research of Kahneman and Tversky. The normative view of PE is basically the same as the normative view of NE. NE and PE both assume that the goods people should acquire are what people want or desire, i.e., what they prefer; these are the things that give them the most utility or satisfaction. PE, however, departs substantially from NE with regard to the descriptive aspect of economic theory (Heukelom, 2014, pp. 98-111; Kahneman, 2011, pp. 14, 271-272). In the PE view, people making choices are understood to often choose in a way that does not maximise their utility. Based on the careful observation of people's choice behaviour by practitioners of PE, it is clear that people frequently choose in line with psychological and other supposedly irrelevant factors. Consequently their choices are 'irrational', i.e., not optimising. Because of their 'biases', people do not choose the NE

optimum. Thus people's lives do not go so well, at least not as well as might be predicted by NE.

To the extent that the actual outcomes of humans' decision making consistently depart from the NE optimum in certain kinds of situations, provides strong support for the realism of PE's depiction of choice behaviour. Practitioners of PE have studied such behavioural regularities as the *status quo* bias, confirmation bias, and other biases due to inertia, anchoring, the endowment effect, loss aversion, the effect of strong emotions and many others. It is due to such factors that human decision makers are generally unable to make decisions that are consistently optimal. The upshot is that there are good reasons to believe that the descriptive version of PE provides a much more realistic understanding of human decision-making behaviour than NE does. But PE suffers from the same problem as NE on the normative side.

The Problem with Economics' Normative View of Decision Making

As indicated above, there is no doubt that PE by virtue of its realism improves upon NE in regard to the descriptive aspect of decision making. However, the normative aspect of PE (and NE) is arguably flawed. Let's consider some of the reasons for this judgment. At the heart of the matter, of course, is NE's normative conception that people should simply choose in an optimising way whatever it is they desire, i.e., whatever gives them utility. What is missing from the normative version of NE (and also PE) is the idea that ideal decision making should reflect acquired knowledge and wisdom. If people make decisions based only on what they are feeling or desiring, i.e., making their decisions only on the basis of their actual preferences, it seems unlikely that these decisions will be good decisions either for themselves or for their society. As Rescher points out,

'many of us do what we desire or want, but such actions may not be in our best interests or real interests Unless there are good reasons for doing so, ... [such actions] will not be what is really best for us' (Rescher, 1988, p. 5; as quoted in Tomer, 2008, p. 1704).

'Certain preferences are absurd – preferences which wantonly violate our nature, impair our being, or diminish our opportunities' (Rescher 1988, p. 95 as quoted in Tomer 2008, p. 1704).

And as Frank Knight, long ago, recognised, 'what the commonsense individual really wants is not satisfaction for the wants he has but more *and better* wants' (as quoted from McPherson 1984, p. 237 in Tomer, 2008, p. 1705).

To better understand PE's (and NE's) problem with normative decision making, it is necessary to understand the distinctions between three types of preferences (Tomer, 2008, pp. 1705-1706). The first, actual preferences, are the preferences that we are all familiar with; they are the preferences that reflect our wants and desires when we make ordinary choices among alternative goods. The second type of preference, metapreferences, are one's preferences about one's actual preferences. Metapreferences reflect our capacity to stand in judgment of our actual preferences. For example, we may have an actual preference for very sweet food, but we may prefer not to have that actual preference. The third type of preference is our true preferences. True preferences are our preferences for what is really right and best for us. True preferences are the preferences we would have if we were perfectly informed, unbiased and logical about what is really good for us. Consider our true preferences for a

category of food, say vegetables. Our true preferences for a vegetable would presumably be a preference for a vegetable with the most healthful and nutritious qualities possible (Tomer, 2008, p. 1706). Another example is that people might have a true preference for a diet that is extremely high on immunity to all forms of cancer. Note that, unlike the case for actual preferences and metapreferences, we may be partially or completely lacking in knowledge of our true preferences. People, for example, may not know their preferences in regard to what kinds of food they need to eat more of in order to improve their health. This lack of knowledge is an important reason why it is typically difficult for people to make choices that enable them to obtain what is really right and best for them. Another reason for people's difficulties making choices is psychological; recall the biases mentioned earlier.

Choosing in an Ideal Normative Manner

What does the above mean for choosing goods in an ideal, normative manner? In my view, the essence of normative rationality means that we should choose in accord with our true preferences; we should choose only goods that are truly right and best for us. Correspondingly, it means we should not settle on choosing goods that happen to appeal to us at a particular point in time but on reflection are not really right and best for us. Choosing only goods aligned with our true preferences, or at least mostly these goods, should reliably lead us to a high level of well-being (not simply our utility or welfare). Although making such truly rational choices is something that all of us can aspire to, it is not something that most of us can be expected to do, at least not regularly. That is because the ordinary person typically lacks the knowledge, unbiased insight and wisdom to do this.

Choosing Ideally Implies Choosing Wisely

As indicated above, true preferences are the preferences we have for goods that are very good for us. They are also the preferences that we would have for these goods if we had attained a high degree of wisdom. Let's consider the meaning of wisdom. Wisdom, as typically defined, 'is the ability to think and act using knowledge, experience, understanding, common sense, and insight... in a mature manner' (Wikipedia). To fully appreciate what wisdom means, it is important to take into account that wisdom has quite a few different connotations as indicated in the following definitions of wisdom:

- 1) Wisdom is the capacity of judging rightly in matters relating to life and conduct (Oxford English Dictionary);
- 2) Wisdom involves the understanding of causes, i.e., knowing why things are in a certain way (Aristotle, *Metaphysics*);
- 3) A person becomes wise when he/she can see what needs to be done and can do it successfully without being told what to do (Inuit tradition);
- 4) Wisdom involves coordination of 'knowledge and experience' and 'its deliberate use to improve well-being' (Peterson and Seligman, 2009, p. 106);
- 5) Wisdom involves superior ability to understand the nature and behaviour of things, people, or events (B. Legesse et al., in *Encyclopedia of Human Behavior*, 2nd Edit., Academic Press, 2012);
- 6) Wisdom is the ultimate truth of things found in the heart of every religion;
- 7) In Buddhism, wisdom involves 'seeing things as they are' and gaining 'a penetrating understanding of all phenomena'.

When one acts wisely in consumption activity, an individual is acquiring and using goods in a way that is consistent with his/her true preferences. Wise consumption contributes to one's well-being because it does not involve compulsive behaviour, it is not associated with pathologies, and it does not have other harmful effects. A person's wise consumption contributes to his/her physical, mental and spiritual health, and thereby, it contributes positively to at least some aspects of one's human development (Payutto. 1998, pp. 33, 42). The upshot is that the wise activities that advance one's human development will add to a person's or a society's well-being.

Decision Making and the Wisdom of Aristotle

Aristotle's Decision Making Wisdom Compared to the Perspective of Neoclassical Economics

To fully appreciate what wisdom is and what wisdom can contribute to decision making, one needs to read Aristotle's *Nicomachean Ethics* (see, for example, Kaplan, 1958). At the heart of Aristotle's philosophy is the view 'that people, when they act, are aiming at something they think is good' (Yuengert, 2012, p. 1). That is, when people make decisions they aim at some ultimate good such as a desirable quality of life, which is not a material item, but which is something that they believe will make them happy. Although both Aristotle and modern economists agree that 'people have objectives they seek to achieve,... the Aristotelian account of human behaviour is much richer than the maximisation of utility subject to constraints' (p. 1). Clearly, the Aristotelian depiction of decision making 'does not exhibit the mathematical exactness of an economic model', but it makes up for that in its comprehensive vision of how people make decisions as well as its lack of economics' typical simplification (p. 1).

The Aristotelian approach to decision making is in many other respects quite different from NE. For example, the Aristotelian approach, in contrast to neoclassical economics, does not focus much on observable aspects of choice; it is focused on what happiness is (Yuengert, 2014a, p. 1). Compared to NE, the Aristotelian approach to the world is mysterious, less elegant, more uncertain, socially embedded, character-driven and fraught with meaning (pp. 2-4). Practitioners of the Aristotelian approach to decision making, more so than modern economists, mindfully consider both how people are and the nature of the decision-making environment. As a consequence, Aristotelians understand that there are limits to the usefulness of economic modelling. From a normative standpoint, the most important difference between rational economic decision making *à la* NE and Aristotelian decision making is that NE practitioners seek to explain human choices; whereas the Aristotelian approach generally aspires to gain wisdom about humans and their decision making.

Aristotle's Practical Wisdom Concept

For Aristotle, the key factor that explains the quality of a person's decision making is *practical wisdom* (PW). PW is the virtue or capacity by which a person acts well in the world (Yuengert, 2014b, pp. 4-5). PW is especially important in situations where the problem or policy under consideration is crucially important and difficult to formalise. PW is a quality that cannot be modelled or be fully formulated. Not surprisingly, it is a quality that gets left out of the analyses of NE economists when they simplify for purposes of analysis. NE, thus, does not consider the PW factor or for the most part other non-calculative skills and virtues that

would enable a person to make important, high quality decisions. In general, the NE approach is too abstract and impersonal to enable it to appreciate a person's life and its flourishing, factors which may be important with respect to policy decision making. It is particularly important to consider PW when there are complicated relationships between instrumental goods and ultimate goods (p. 6). In complex situations, the needed PW may include self-management strategies and other personal qualities (p. 7). According to Aquinas (1948), among the important virtues included in the PW factor are memory, docility, understanding, foresight, circumspection and constancy (p. 8). These PW qualities are the kind that develop over a lifetime as they are 'passed from person to person, not as one passes a book of instructions from hand to hand, but as one learns a craft, a way of life, through imitation and apprenticeship' (p. 8). The 'practically wise person is much more than a means-ends optimiser' (pp. 8-9). A person strong in PW is capable of 'reasoned judgment which brings into play experience and a wide range of non-calculative habits of perception and self-management' (p. 9). Clearly, PW 'cannot be captured by the [NE] logic of optimisation subject to constraints' (p. 9).

Religious Views and True Preferences

The essence of the idea of true preferences and that people should try to act in accord with them can be found in the teachings of almost all philosophical, spiritual and religious organisations. These teachings are concerned with the gap between what a person wants and what is really best for the individual (Tomer, 2008, p. 1708). The latter ideal, our true preferences, 'are those we would have if we were closer to being the person we aspired to be'; they are our 'enlightened preferences' (p. 1708). Religions encourage us to develop ourselves fully, and therefore, to act in line with our true preferences. For example, according to Buddhist teachings, transforming our inferior actual preferences to our true preferences will provide us true happiness and enlightenment. This involves giving up one's materialistic or gross forms of pleasure for higher forms of pleasure (p. 1709). In this respect, Hinduism is very similar to Buddhism. According to Christian teachings, 'the spiritual input of Christ' is a key to achieving 'God's desired balance between self-interest and altruism in... decision-making situations' (Beed and Beed, 1999, p. 508), and consequently, behaving in line with Christians' 'moulded [or true] preferences' rather than their actual preferences. Islam also has teachings that correspond to the concept of true preferences. In their view, people could be 'motivated solely by the desire to maximise worldly pleasures' (their inferior actual preferences) (Biraima, 1998/1999, p. 212). Ideally, however, 'people [Muslims] could be in complete submission to God and be motivated solely by the desire to accumulate 2good deeds2 that yield thankfulness' (p. 213). Each religion teaches that inferior behaviour patterns (inferior actual preferences) should be given up in favour of ideal patterns reflecting one's true preferences, the latter leading along the path to God or enlightenment, and thereby, to long-run happiness. Another way of stating this is that each religion advocates that its members behave in accord with its version of wisdom.

Wisdom and Human Development

Wisdom is not something that humans are born with, but arguably humans have a capability for it and can develop it. Aristotle believed that everyone is capable of being wise (Schwartz and Sharpe, 2010, pp. 51-52). But it seems that relatively few people attain a high degree of wisdom. Further, it seems likely that the high level of wisdom of the relatively few is associated with the high level of maturity and human development progress these people

have realised. Having a high level of human development (HD) involves much more than acquiring substantial cognitive capability and/or workplace skill. A person with a high degree of HD is one who has progressed along a multidimensional developmental path which includes social, psychological, emotional and biological dimensions (Tomer, 2017). Reaching a high level of HD generally occurs only when a person has benefited from a favourable environment, and thus, the person has had a good chance of developing many capabilities. When a person's environment has been unfavorable, however, such individuals have typically failed to negotiate certain stages of their development. In that case, the individual has likely gotten stuck or partially stuck at a certain developmental stage and failed to develop further without a special developmental intervention (p. 138). Note that the concept of HD used here draws on Abraham Maslow's humanistic psychological perspective, particularly his hierarchy of human needs. It is also informed by research on neurodevelopment as well as Ken Wilber's conception of how humans develop in an unfolding series of stages and levels. Further note that HD is usefully represented as a three-sided pyramid in which each triangular side represents a major developmental pathway. The three pathways are: 1) educational and cognitive development, 2) psychosocial and biological development, and 3) brain development (or neurodevelopment) (pp. 138-141). The upshot is that there is reason to believe that the people who have gained a great deal of wisdom are people who have lived long enough to have been able to take advantage of a significant number of the developmental opportunities that have been presented to them.

Research on the developmental stages of people's lives by Daniel Levinson and Erik Erikson can help us understand the universal patterns of people's lives and provide some insight regarding the progress of wisdom during one's life. Levinson (1978) in particular found that people's lives had both stable and transitional periods. He found that

'during stable periods, a person makes decisions and commits to building a life structure. During transitional periods, a person tends to review and evaluate the present structure ... to decide what aspects of their life to keep and what aspects to reject' (Tomer, 2017, p. 147).

Erikson's (1982) research on the developmental stages of adult life provides both similar and contrasting insights to those of Levinson. As an illustration, Levinson's theory regarding sequential developmental periods only weakly implies that a person's adult development follows an ascending path. Note that the existence of an ascending path would be consistent with the idea of growing wisdom with age. Erikson's research in contrast to Levinson's tends to strongly affirm ascendancy. According to Erikson, full development of a person's life does not happen until middle to late adulthood (Tomer, 2017, pp. 148-149). This latter finding indicates that full development of wisdom does not occur until relatively old age. In interpreting these findings it is important to note that adult human development is generally not a smooth process; people often experience stressful episodes and periodic crises throughout their lives (Tomer, 2017, pp. 148-149). So although there is evidence of growing wisdom with age, one cannot be sure that this is true for every individual and during every stage of life.

As part of their human development, humans may develop *virtues* such as prudence, love of knowledge, courage, firmness, generosity, temperance and justice (Tomer, 2017, p. 149). Virtues are acquired capacities or dispositions that enable persons to contribute in some generic way with a high degree of excellence to activities that are challenging and important (McCloskey, 2006, p. 64; Roberts and Wood, 2007, pp. 60-64). Virtues are not specific, technical skills and do not involve performing specific roles such as managing a business or

playing basketball. They are habits of the heart (McCloskey, 2006, p. 64), and they are deep, enduring settled character qualities that are formed by education in the broadest sense (Roberts and Wood, 2007, p. 69). Virtues enable humans to achieve excellence in some sphere of activity such as the interpersonal, the political or civic, the intellectual or the moral. Clearly the person who has developed a high degree of virtue has developed the capability for wise thinking and decision making at least in some sphere of life (Tomer, 2017, p. 150).

The Essence of the Wisdom Deficit

To understand the idea of a wisdom deficit, it is necessary to sum up the preceding analysis. At the heart of the matter is that both neoclassical economics and psychological economics rely on the same flawed normative view of decision making. According to that view, people ought to make decisions based primarily on what they want or desire, i.e., on the utility they expect to derive from anticipated decision outcomes. Clearly that is problematic. As argued earlier, people will be much better off if they make decisions leading to outcomes that are truly right and best for them, or for their organisations or for their society. These are the kinds of decisions that are based on very good reasons. Wise philosophers as far back as Aristotle knew this. Wise religious leaders know this. And many people who have attained a ripe old age, who have realised a high degree of maturity, and who have successfully met many developmental challenges along many HD pathways are likely to know this. Unfortunately, in countries like the U.S. in recent decades, too many economists, especially those who subscribe to the tenets of NE, do not know this. As a consequence, too many poor decisions have been made because the decision makers have been either NE economists or have been under the overly strong influence of NE economists. Arguably, poor decisions have been made because the needed wisdom has not been applied in the decision-making process. In other words, there typically has been a wisdom deficit in important economic related decision making.

How Can We Reduce the Wisdom Deficit?

Obviously, if our society's decision making suffers from a wisdom deficit, we need to find a way to make the important decisions with a greater dose of wisdom. What is not immediately clear is how to do that. Although wisdom can be considered to be an input into a decision-making process, wisdom is certainly not a simple, tangible input that is easily inserted into any decision making process when decisions are being made. Wisdom is not a "one size fits all" factor. What constitutes the relevant quality of the needed wisdom would seem to vary according to what is being decided and with other aspects of the decision-making context. In other words, the wisdom needed in important decision making does not have to be precisely the kind of wisdom that Aristotle had in mind or for that matter any other particular version of what constitutes wisdom.

What is essential in the process of adding wisdom to the decision-making process is that purely quantifiable economic considerations should *not* have paramount importance. The decision-making process cannot be a disguised version of optimisation, i.e., of maximising people's utility. The decision making processes that incorporate wisdom should make considerable use of non-economic, qualitative insights and concepts from philosophy, from the social sciences and from religions.

Suppose we are considering decision making related to large-scale projects in the public sector, say projects focused on problematic situations involving a substantial degree of socio-economic dysfunction. Suppose further that these kinds of decisions have in the past

been made very unwisely. This poor performance might have been due to both poor decision processes and not having the participation of a sufficient number of wise people. Are there ways that societies can make these kinds of decisions differently and better? If so, making such a significant change in the decision-making process would involve learning how to utilise all the relevant knowledge and analysis related to the problem. It would also involve making decisions more wisely than in the past because it enables people and society as a whole to make choices that are really the best possible for all concerned. The next section makes a proposal for how such decision making can be accomplished more wisely.

A Specific Proposal for Improving Decision-Making Wisdom

In order to substantially increase the wisdom incorporated into economic decision making, an especially modified version of the Delphi method is proposed. Let's first consider the basic nature of and essential features of the typical versions of the Delphi method.

How the Delphi Method Works

The Delphi method (DM) takes its name from the Oracle of Delphi who according to ancient Greek myth could predict the future. The DM is a structured communication technique that has been used most notably for forecasting the future and for policy making. It has been especially useful in situations where the decision making is large and complex. Let's consider a generalised version of how the typical DM process works. Once a policy or issue has been identified, the first step in the DM process is choosing a facilitator. The first task of the facilitator is developing a series of questions related to the policy or issue, questions which are included in a questionnaire or survey. At the beginning of the first round of the DM process, the facilitator provides these questions to all the participants. The participants, also known as 'experts', are people who are chosen because of their relevant knowledge and experience regarding the topic. Note that at the very beginning of the process, the participant experts are invited to direct their attention to the overall problem or issue that they are seeking to understand. After considering the latter, the experts independently and anonymously reply to the facilitator's questions. This phase of the process is akin to brainstorming; its purpose is to produce a broad range of opinions.

In the second round, the facilitator will summarise the experts' first round replies. Based on these responses, the facilitator develops a second round of questions and provides these to the experts. During this second round, each expert again replies to the facilitator's questions. This typically involves revising and clarifying his/her first round judgments in light of the replies that all the other experts had made during the first round. The goal at this point is to clarify specific issues, remove irrelevant material, and look for common ground that would be the basis for a consensus. Subsequent rounds of communication between the facilitator and the experts follow in a similar manner. In this process, the facilitator and experts gradually hone in on areas of agreement until a consensus emerges among the experts about the problem or issue. The facilitator acts to control the feedback process, acting at each stage to identify and ease the gradual convergence of participant responses. The purpose of these multiple stepwise rounds of communication is to proceed until an acceptable level of consensus among the participants has been reached. The accepted consensus is considered the 'correct' answer or the solution to the problem.¹ Finally, the result of the completed DM process is disseminated to the participants and other interested parties.

¹ The following online sources were used in writing this general description of the Delphi method: 1) 'Delphi Method', *Wikipedia*; 2) 'The Delphi Technique', Thangaratinam, Shakila and Redman, Charles

The Advantages of the Delphi Method

Use of the Delphi method by governments and various types of organisations is no guarantee that the resulting solutions or answers will be successful. In some cases, use of DM has produced poor results (*Wikipedia*). Nevertheless, the DM is considered to be a 'widely accepted forecasting tool and has been used successfully for thousands of studies in areas varying from technology forecasting to drug abuse' (*Wikipedia*). There are a few important reasons why the DM can be expected to realise better results than conventional methods of analysis. Traditional methods typically involve the use of scientific theory along with quantitative models and trend extrapolation. In situations where there is a high degree of complexity and uncertainty, where there is controversy, debate or a lack of clarity, and where precise scientific laws do not exist, traditional methods have not worked very well. In general, the DM can achieve better results than conventional methods when there is no single true and knowable answer. What the DM is able to provide in contrast to conventional methods is analysis using informed, intuitive judgment

One notable advantage of the DM derives from its use of anonymous participant experts. Because the identity of the experts is not revealed to other participants, experts' opinions generally will not be influenced by other experts' authority, personality, attractiveness or reputation. Ideally, in a DM process, experts' opinions are only influenced by others' ideas, insights and analysis. The anonymity also minimises the 'bandwagon effect' and the 'halo effect'. Further, anonymity encourages free expression of opinions and open critique, as well as facilitating admission of errors when experts revise their judgments (*Wikipedia*). Note that in the DM, participants comment both on the responses of other individual experts and on the progress of the decision-making panel as a whole. Because of this, both individual participants' opinions and the facilitator's guidance role are given a useful challenge.

The DM is not a tool for making decisions; it is a policy analysis tool that can be used to help make decisions (Turoff, 1970, p. 154). In particular, the DM is an alternative to using the kinds of analysis that typically take place in conventional meetings and committees or that comes from using consultants (p. 153). Compared to conventional methods, the complex analyses of a Delphi usually involve a greater degree of intuitive interpretation and informed guesswork (Thanagaratinam and Redman, 2005, p. 120). A Delphi is particularly valuable because it brings people together across organisational lines and thereby gets all relevant views represented (Turoff, 1970, p. 152). The Delphi structure and sense of direction helps avoid 'often counterproductive discussions and digressions that bedevil face-to-face group discussions' (Thanagaratinam and Redman, 2005, p. 120). An important part of the value of a Delphi is that it helps avoid group pressures, and it can be used when definitive evidence is not available (Thanagaratinam and Redman, 2005, p. 122-123).

Examples of the Use of the Delphi Method

To get a better understanding of the DM, it is important to consider a number of examples of its use. The 'first applications of the Delphi method were in the field of science and technology forecasting' (*Wikipedia*). The objective of these Delphis was to combine expert opinions on the likelihood and expected development times of particular technologies in order to understand their probable development paths. 'Later the Delphi Method was applied in other places, especially those related to public policy issues, such as economic trends, health, and

W.E.; 3) 'Delphi Technique: A Step-by-Step Guide,' Haughey, Duncan; 4) 'The Delphi Method', Iqbal, Susanne and Pison-Young, Laura. For a complete explanation of the Delphi method, the different types of Delphi, and how to use the Delphi method, see Keeney, Hasson and McKenna, 2011.

education' (*Wikipedia*). One of these specialised health areas is obstetrics and gynaecology, an area that generates an array of problems that are complex and not easily explained. The Delphi Method has been found to be a particularly useful tool for developing group consensus in this area (Thangaratinam and Redman, 2005, p. 124). Another complex health related example is the 'use of a Delphi to predict how improvements in nutrition, family income, and prenatal care would impact on birth weight and subsequent intellectual development' (p. 122). Two other health related examples are: choosing performance measures for early psychosis treatment and using the opinions of a group of urologists to rate common treatments for men with enlarged prostate glands.

Introducing Wisdom into the Analyses and Decision-Making Processes

For all the reasons mentioned earlier, when the Delphi method is used in the kinds of situations which are favourable to it, it has demonstrated better results than conventional methods. So it makes sense to use the DM in these situations. It is arguably the smart thing to do. But would the analyses produced by using a proposed modified DM result in decisions characterised by greater wisdom? Not necessarily. The answer would only be yes if the participants (the experts) used were wiser than they had heretofore been. Unless the participants had become wiser, there is no reason to believe that the answer or solution deriving from using a modified DM would manifest an increase in wisdom. For the modified DM solution to have become wiser, the participants' opinions must have become wiser. And the only way for that to have happened is if, unlike in the past, the participants are now being selected for their demonstrated wisdom. For wiser decisions to result from the use of a modified DM, the participants should no longer simply be experts. They also need to be **wise-perts**, people who combine pertinent expertise with their wisdom. The upshot is that if we want wise analyses and decisions, we need to use modified DMs, DMs in which the procedures guarantee that the participants are wise-perts.

What can we expect from a wisdom oriented DM? If the solutions of the modified DMs are really wise ones, these will be the kinds of solutions that add to societal well-being, not just societal welfare. They will be solutions that are really right and best for the people affected, or for the affected organisations and societies. These wise solutions will certainly not be optimising solutions, solutions that attempt to maximise the utility of individuals or their organisations or their society. They will be solutions that are really better than the kind of solutions that are aligned with NE theory. Thus, the wisdom oriented DM can be an important tool, a tool that is an important part of a process of reducing the wisdom deficit, and thereby, genuinely improving the well-being of one's society.

Who are the wise people who would qualify and could then be chosen as wise-perts? In my view, there is no simple way to choose such people. There is no specific method or test that could reliably be used to identify them. However, the earlier discussion concerning the correlates of wisdom provides a way to think about this. In general, we would want to choose mature, older people who have realised many of their human development capabilities. Presumably we would like to choose people that have demonstrated a strong desire to make choices that are really in the best interests of groups like consumers, taxpayers and workers. We would want people who have strong positive convictions about improving people's health and the environment, as well as a strong concern for young people and the future of society. They should be people who are not biased toward their own self-interests. Obviously, the chosen people would need to have some specialised knowledge and expertise related to the problem or issue under consideration. Much more could be said along these lines. Certainly, the above does not mean that wise-perts would not have strong opinions about future societal

directions. There is reason to believe, as the earlier DM discussion indicated, that the best results are likely to be obtained when the participants in a modified DM have strong, diverse opinions. When the latter is true, we are likely to have more confidence in the consensus solutions that are ultimately reached. In any case, there does not seem to be one best way to do this. Therefore, experimentation is necessary in order to discover what works.

Putting the Proposal to Improve Wisdom in Perspective

It is important to put the paper's proposal for dealing with the wisdom deficit in perspective. As Li Way Lee explained to me, when the DM process leads to wisdom, it is a little bit like the process of making whiskey: whiskey is distilled; it is not constructed. Also, wisdom is like a rainbow; you can see it and chase it, but you can't ever reach it! You just try to get closer to it.² There are good reasons why the proposed modified DM can help improve the economy's decision making wisdom. This is especially true when the modified (wisdom oriented) DM is used for proposed endeavours that can help deal with large-scale socio-economic dysfunctions. It is important to note that the purpose of the proposed DMs is to improve the process of analysis. If many wisdom-related DMs were accomplished, the full effect of them would not be realised until decisions incorporating the recommendations were made, followed by implementation. Also, there are presumably quite a few other things that could be done to improve the wisdom of decision making related to the functioning of the socio-economy. Further, to realise a society that functions more wisely, there would need to be broader societal changes. Positive changes in the functioning of economic institutions are more likely to occur if they are supported by citizens' overall appreciation of the importance of wisdom in society. Presumably there would be a need for organisations that support wisdom-increasing initiatives. And there would need to be a high level of societal aspiration for wisdom. The upshot is that even if well-functioning wisdom-related DMs were to become more prevalent, that would not be the ultimate solution to the wisdom deficit. Other things have to happen. But, hey, implementing wisdom related DMs would be a good, encouraging start.

Conclusions

To make wise choices about improving the well-being of the people in one's society, it is a dubious proposition to use the normative optimising procedures of neoclassical economics (NE). Neoclassical procedures are oriented to helping people choose in order to maximise their satisfaction given their actual preferences. Doing this does not help people make decisions that are really right and best for them. Too often important economic decision making in countries like the U.S. have reflected neoclassical maxims. The result has been unwise decision making. In other words, countries following these NE related procedures seem to have consistently experienced significant wisdom deficits. That is, their important economic decision making has too often not reflected people's true preferences. Neither has their decision making reflected ultimate truths about how best to live one's life, truths that are well understood by the great philosophers such as Aristotle and the great religious prophets such as Jesus Christ and Buddha. Their decision making also has not reflected important understandings about the potential that people can realise when their human development goes well.

This raises the question: is it possible to reduce such wisdom deficits by making important economic decisions with a greater dose of wisdom? This paper proposes one method for adding greater wisdom to the decision-making process when making large scale

² These insights are from Li Way Lee's email to me on October 11, 2018.

public policy decisions. It is proposed to make these decisions using a modified version of the Delphi method. The standard DM has been a successful way that organisations and governments have utilised expert knowledge and opinions and have reached consensus solutions to significant problems and issues. The proposal of this paper is to incorporate wisdom in the decision making process by utilising DM participants who not only have relevant expertise but who have a record of demonstrated wisdom in decision making. There is good reason to believe that using such a modified Delphi method will lead to decisions that are really wiser than decisions made by the standard DM along with conventional decision making methods. The above proposal does not imply that wisdom cannot be added to decision making processes in other ways. Because there is reason to believe that the wisdom deficits of many societies are large and costly to people, the size and nature of these wisdom deficits should be investigated along with alternative ways to reduce them. People around the world would be much better off if the policymakers of their nations aspired to wisdom, not simply to narrow economic advantage.

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The Self According to Others: Explaining Social Preferences with Social Approbation

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Abstract

In past decades, significant work in behavioural economics has decisively revealed the limitations of the human agency model known as *Homo Economicus*, whereby humans are purely driven by material self-interest.¹ These behavioural findings are, however, far from integrated in mainstream economic theory, which builds heavily on the neoclassical tradition. Unbeknown to modern economics, Bernard Mandeville and Adam Smith already proposed a richer model of human agency in which choices also depend on the desire for social approbation. The social approbation mechanism complements material self-interest and provides a more diverse toolset, which is able to explain social preferences.² Mainstream economic agency confines the study of human action to an artificially-limited spectrum because it reduces society to atomistic individuals who maximise one all-purpose measure of value: utility, which is often instrumented by consumption. Collective action is therefore only sustainable where material incentives are in place, as the economic agent rides for free unless financially penalised. To explain pro-social behaviour from the standpoint of self-interest, Mandeville and Smith proposed that agents also maximise social approbation, which conveys incentives to act pro-socially because the desire for others' approval encourages compliance with social norms. The upshot for collective action is that, assuming social norms represent common interests, approval from others provides an extrinsic motive for pro-social behaviour. I formalise the mechanism by proposing a simple utility function in which agents maximise social approbation as well as material self-interest.

JEL codes: B41, D16, B12, D91, B50

1. Failing to Account for Social Preferences

The field of economics has long been subject to the criticism that it models human agency in a completely unrepresentative manner by not allowing for the possibility of social preferences. Its simplistic assumptions, often called the *Homo Economicus*, presuppose that humans only seek to maximise their own material payoffs driven by pure material self-interest. This view of human agency has a long-lasting tradition in economic thought; previously Bernard Mandeville and Adam Smith constructed economic propositions of how selfish individuals could potentially generate social benefits in a market context.³ Through Smith's famous invisible hand, selfish agents would generate social benefits by following their 'propensity to

¹ Material self-interest as regularly modelled in microeconomics: a human agent only cares about maximising utility, which is generally represented by individual material payoffs (i.e. consumption of goods and services).

² Preferences to act pro-socially beyond individual material payoff, in the sense of Ernst Fehr and others behavioural economists.

³ *Ibid.*, i.28.

truck, barter, and exchange one thing for another'.⁴ The supposedly selfish individual depicted in *The Wealth of Nations* (WN) by Adam Smith, which ignored the more comprehensive account of human behaviour in *The Theory of Moral Sentiments* (TMS), quickly became – and thanks to its methodological convenience still is – the primary model of human agency in economic analysis.⁵

Despite its prevalence in modern economic textbooks, *Homo Economicus* was already seen as a limited model of agency from its conception. Even Mandeville, who greatly praised the economic gains of self-interest, failed to abstract these benefits from a social and political setting.

'So Vice (self-interest) is beneficial found; When it's by Justice lopt and bound' (Mandeville, 1988[1732], i. 36-7).

Mandeville is hinting at the fact that a market of selfish agents cannot be decontextualised from the rest of society – for example, politics. Adam Smith, on the other hand, was more concerned with the known difficulty of modelling human agency, as 'the source of human motivation... cannot be easily reduced to a few simple principles'.⁶ Beyond the classics, economists of all ages have agreed that the *Homo Economicus* painted a highly incomplete picture of human agency. However, these assumptions greatly facilitated the mathematical modelling that economists sought to achieve, often to emulate the natural sciences.⁷ These economic models create an abstract world that might be consistent and render useful insights without corresponding to reality.⁸ Yet while internal validity is warranted by mathematical logic, external validity relies on the appropriateness of the underlining propositions to the context a model is being applied to.

Economists have hence long been aware of the limiting assumptions surrounding *Homo Economicus*, even if those doubts did not always extend to the insights derived from it. Yet even ignoring these moments of self-awareness, the last two decades of behavioural field work and randomised controlled experiments have been able to fully falsify the *Homo Economicus*. This work has undermined the generalisation that human behaviour can be studied predominantly by reference to selfish material incentives.⁹ Beyond material self-interest, humans can be 'conditional co-operators and altruistic punishers', clearly revealing social preferences, as evidenced by multiple empirical experiments conducted within the realm of behavioural economics.¹⁰ According to Ernst Fehr, prominent examples include instances in which 'people vote, pay their taxes honestly, participate in unions and protest movements', which often lack a discernible material payoff to the individual.¹¹ Offering a potential explanation, survey data collected by Kahneman and Deaton indicates that extra income beyond the threshold of \$75,000 per annum (based on an average in the US) quickly decreases in added value to the individual.¹² Social preferences, caring for more than just oneself or being incentivised by more than material gains, have been thoroughly documented by the work of Daniel Kahneman, Ernst Fehr, Samuel Bowles, Dan Ariely, and other behavioural economists.

⁴ Smith, *WN*, I.ii. p.1.

⁵ Laffont and Marmimort, 2001, p.18.

⁶ Mehta, 2006, p. 249.

⁷ Bodenhon, 1956, pp.25-32.

⁸ Morgan, 2012, p.405.

⁹ Sassower, 2010

¹⁰ Fehr, 2005, xii.

¹¹ Fehr and Schmidt, 1999, p.818.

¹² Kahneman and Deaton, 2010.

The documented existence of social preferences poses a significant challenge to conventional economic modelling and, more importantly, the benefits of market behaviour carried out by purely selfish agents who are only maximising material payoffs. Smith and Mandeville had some answers to this challenge that might have been previously overlooked.

2. Instrumenting Social Preferences with Social Approbation

Smith's account of human agency was much richer than is often depicted. While Mary Morgan considers it too multifaceted for modelling, a first step is to incorporate the motive of social approbation. Both Smith and Mandeville departed from the tensions between self-interest and altruism to reach conclusions that looked beyond the dichotomy. Their thoughts indicate that human behaviour is driven by the desire for social approbation just as much, if not more, than by material self-interest. For this, they presumed that people sympathise and hence approve of each other. Society approves of actions that conform to social norms, turning the desire for social approbation into a motivation for social preferences. In other words, Smith's and Mandeville's agents gain positive utility by being approved of socially.

2.i Breaking the Dichotomy

The 18th century intellectual discussions of society revolved around depictions of people as either egoists or pro-social beings, cementing a dichotomy that humans are either one or the other. Economics found materialistic egoists easier to model in a market context, clearly delighted by the apparent paradox of deriving common good from selfish behaviour. Embedded in the foundations of economics is the belief that ethical and social considerations are beyond its scope. It can be questioned, however, whether the selfish-selfless dichotomy is even useful. In its barest form, self-interest simply indicates the interest of an individual agent, her reason-to-act so to speak, which could be directed towards herself (egoism) as well as towards others (social preferences).

This notion of neutral self-interest can, admittedly, be regarded as a driver of any form of behaviour. A contemporary critic of Mandeville, Joseph Butler, argued that people could place self-interested value on morality, rendering morality and self-interest compatible.¹³ This approach reinforced one of Mandeville's crucial contributions. It is pointless to categorise human activity by distinguishing between selfish and selfless choices, if both can always be traced back to some form or other of (neutral) self-interest. I am choosing to help another selflessly because I want to, meaning by definition that it is in my (self) interest. According to Mandeville, 'to judge a man's performance' we need to know 'the principle and motive from which he acts'.¹⁴ Yet the fact that generosity can be interpreted as a genuine impulse to help others, as with Rousseau's pity-mechanism, it can also be considered 'ambition in disguise', as expressed by La Rochefoucauld,¹⁵ shows the futility of trying to judge decisions on a normative categorisation of intentions.

Discoveries in modern neuroscience corroborate this view. The human brain displays activity in the prefrontal cortex when confronted with material incentives, an area associated with cost-benefit and consequentialist thinking and mainly concerned with 'deliberative processes'.¹⁶ In contrast, the limbic system deals with behaviour that is considered impulsive. Speaking against the egoism-altruism dichotomy is the fact that this part of the brain is

¹³ Internet Encyclopedia of Philosophy: A peer-reviewed academic source. Accessed 15/08/2016, <http://www.iep.utm.edu/mandevil/>

¹⁴ Mandeville, 1988[1732], i.43.

¹⁵ Force, 2003, p.137.

¹⁶ Bowles, 2016, pp.103-110.

activated when engaged in collaborative activity, such as ‘conformity of an action with a set of rules’, yet also with activity regarded to be driven by selfish motives.¹⁷ The distinction between selfishness and selflessness breaks, as it rests, on ambiguous intentionality.

Revealing a false dichotomy between egoism and collaboration is a relevant challenge to the theoretical apparatus of economics. Even Edgeworth distinguished between economics and ethics on the basis of self-interest and selflessness respectively, suggesting these could be separated.¹⁸ It is as if economics simply excluded the existence of any form of collaboration that did not fit within the realm of marked exchange between selfish individuals. As a result of its limited conception of agency, neoclassical economics has been shaped as a science that studies only the self-interested behaviour of humans, leaving out important aspects of social interaction. When studying human economic activity it would be unwise to not consider all the motives that influence human choice. There is thus a need to look beyond the false dichotomy that justifies a model of human agency driven solely by material self-interest.

2.ii Social Approbation Maximisation

Numerous social scientists argue that the borders between the self and others are not that clear-cut. Humans are methodologically indivisible from one another, partly a distinctive entity and partly a component of a greater social structure, their identity and choices influenced by their surroundings. It is therefore necessary to incorporate influences arising from a social context in any model of individual utility-maximisation. Since people reveal social preferences, there must be a behavioural mechanism to explain it. Smith and Mandeville already identified this issue and proposed a solution that has received little attention. They argued that individual agents seek to be approved of by society, which creates a mechanism that allows for social influences. When acting pro-socially, driven by expectations of receiving social approbation, agents would be maximising their individual utility.

In Smith’s complex conception of agency, humans are driven by the ‘great purpose of human life which we call bettering our condition’.¹⁹ In their critique of expected utility theory, Kahneman and Tversky advanced the idea that ‘value is assigned to gains and losses rather than to final assets’ because ‘our perceptual apparatus is attuned to the evaluation of changes or differences rather than to the evaluation of absolute magnitudes’.²⁰ In Kahneman’s prospect theory, which fits remarkably well with Smith’s idea of dynamic betterment, value is a function of two things: the ‘reference point’ and the ‘magnitude of the change’ from that point.²¹ Humans care about improvements (change) beyond their current state (reference point).

Smith also argued that humans are driven by an ‘innate desire to receive the approbation of others’.²² His views on social regard bear resemblance to Rousseau’s conception of *amour-propre*, recognising the idea that agents judge improvement on the basis of a positive change relative to others. Assuming that the reference point is some measure of the average recognition of the people around us, our valuation would be directly correlated to the difference between that point and our own position. Human agency therefore seeks improvement relative to two different reference points: 1) the agent’s current state in time and 2) what the agent perceives as the average reference point of her social context.

¹⁷ *Ibid.*

¹⁸ Force, 2003, p.171.

¹⁹ Smith, *The Theory of Moral Sentiments* [henceforth *TMS*], 1790, I.iii.2.1.

²⁰ Kahneman and Tversky, 1979, p. 263.

²¹ *Ibid.*, p. 277.

²² Paganelli, 2008, pp.80-91.

While Rousseau argued that ‘all equality vanished’ as a result of this constant search for improvement relative to others,²³ Mandeville saw the resulting desire for social esteem as a motive for collaborative activity. Positioned in between both views, Smith seemed to consider that social approval can be both the object of ‘congratulations’ and ‘envy’.²⁴

Regardless, in their quest for improvement, Smith’s and Mandeville’s agents pursue social approbation as well as wealth. People could be incentivised to act pro-socially through the desire for social approbation, which signals improvement in the eyes of others.

Similar to the research of Kahneman and Deaton, Smith acknowledges diminishing returns to consumption after a satiation point of wealth, when ‘the necessities of nature... (which) the meanest labourer can supply’ are covered.²⁵ As consumption is bounded by satiation, he reasoned, wealth acquisition shifted from having an intrinsic value to an instrumental one.

‘the rich man glories in his riches, because he feels that they naturally draw upon him the attention of the world’ (Smith, 1790, *TMS*, I.III.ii.1).

Smith argued that wealth is accumulated beyond the point of which it provides material benefits. Instead, wealth accumulation is a way of drawing the admiration of others or, in other words, seeking social approbation. Nevertheless, even if wealth accumulation ‘constantly obtain(s)’ social recognition, it is not the only behaviour conducive of social distinction.²⁶ An agency model that incorporated social approbation maximisation would, according to Smith’s propositions, be more comprehensive than instrumenting the human quest for betterment solely by wealth accumulation.

Smith’s behavioural model therefore isolates the desire for social approval as a central motivation, alongside the long-run benefits it might render. In other words, social approbation has intrinsic value.

‘[Humans seek to] be observed, to be attended to, to be taken notice of with sympathy [as well as] all advantages which we can propose to derive from it’ (Smith, 1790, *TMS*, I.III.ii.1).

According to Smith, receiving sympathy – positive approbation – constitutes a direct way of measuring our own social worth. The desire for sympathy combines with our desire for bettering our condition, leading to what Smith calls vanity.

‘[Vanity] involves the constant comparison between ourselves and others, and constant computation of the ways in which we could improve our position in the eyes of others’ (Force, 2003, p.132).

While wealth constitutes one of these ways, social approbation provides a direct measure of the value of our behaviour in the eyes of others. Improvements relative to others can be directly inferred from the approval and admiration received from others.

Smith further explains how, through social approbation, society influences the actions of individuals, providing a way to reconcile individual self-interest with pro-social behaviour.

²³ Rousseau, 1754.

²⁴ Smith, *TMS*, I.II.v.1.

²⁵ *Ibid.*, I.III.ii.1.

²⁶ *Ibid.*, I.III.iii.3.

'Bring him into society, and all his own passions will immediately become the causes of new passions. He will observe that mankind approves of some of them, and are disgusted by others. He will be elevated in the one case, and cast down in the other' (Smith, 1790, *TMS*, III.I.3).

As a result, Smith believed that the self is formed within society, raising doubts about whether individuals can be isolated. The individual desire for approbation means that agents will seek to comply with social norms. It is through this mechanism that our desire for social approval can interact with, or even oppose, material self-interest. As long as social norms endorse common goals, this mechanism can incite pro-social behaviour. While it lies beyond the scope and aim of this paper, it should be noted that social convention could also sanction socially-harmful behaviour.

Thinking about the supply-side, a neoclassical economist might at this point question why, from a standpoint of individualistic maximisation, anyone would praise or applaud the activity of others, a necessary condition for the social approbation mechanism. Smith himself appealed to human nature, proposing that individuals have a propensity to sympathise with fellow humans,²⁷ an idea that closely resembles empathy. Sympathy makes us relate to another by 'conceiving what we ourselves would feel in... (their) situation'.²⁸ What Charles Griswold calls 'sympathetic imagination' refers to our capacity to imagine ourselves in the shoes of another. Our degree of sympathy towards another person is determined by the degree to which we can identify with their situation and react similarly.

'Sympathy, therefore, does not arise so much from the view of the passion, as from that of the situation which excites it' (Smith, 2007[1776], *WN*, I.I.i.10).

This argument challenges methodological individualism because it intertwines the individual well-being, and hence preferences, to that of others. Emma Rothschild considered Smith's self-interest a 'warm sentiment' due to the capacity to sympathise with others.²⁹ The idea is that our senses cannot 'carry us beyond our own persons' but envisioning what we would feel in another person's shoes would make us 'become in some measure (weaker in degree) the same person'.³⁰

Furthermore, Smith proposed that the capacity to imagine oneself in another's situation drives the individual to approve or disapprove of another's behaviour, since it provides a criterion against which to judge the propriety of their response to a given situation. It thus follows that the degree of approval depends on the extent to which we can relate with another's situation and agree with their behavioural response. This mechanism does not contradict the view that we primarily care about our own situation and well-being. Instead, this mechanism is relevant for social collaboration because the feelings and judgements of supposedly isolated individuals can be connected and aligned.³¹

The sympathy mechanism also implies that we would approve when we can relate – imagine ourselves acting similarly – and disapprove when we cannot. The giving of social approbation is therefore driven by a mutual understanding of what constitutes socially-acceptable conduct, otherwise known as social convention. Crucially, sympathy is not a result of categorical moral truths but relies on conventional agreement over what should be approved of.

²⁷ Force, 2003, p.261.

²⁸ Smith, *WN*, I.I.i.1.

²⁹ Rothschild, 2001, p.27.

³⁰ Smith, *TMS*, I.I.i.3.

³¹ *Ibid.*, I.I.iii.1.

'To us, surely, that action must appear to deserve reward, which everybody who knows of it would wish to reward, and therefore delights to see rewarded: and that action must as surely appear to deserve punishment, which everybody who hears of it is angry with, and upon that account rejoices to see punished' (Smith, *TMS*, II.I.ii.3).

Smith's crucial insight is that an individual's criteria for approving is determined by the expectation of what others would approve of; in other words, the consensus. This constitutes an incentive for pro-social behaviour because conforming to social conventions is rewarded by others with social approbation, making its pursuit individually rational. From the perspective of a social consensus, it may follow that pro-social behaviour (others acting in our interest) should always be approved of (while anti-social behaviour frowned upon) by agents who seek to maximise their own individual utility. In the context of economic externalities, social approbation hence provides a mechanism to attenuate negative ones and encourage positive ones. This mechanism does, however, require the assumption that humans have a natural inclination to sympathise with each other. Consequently, they approve of what they deem deserving of applause, which is a function of what they think others would applaud.

Mandeville developed similar ideas about human behaviour despite reaching different conclusions. His pride-mechanism aimed to explain the apparent morality and sociability amongst humans in terms of self-interest by making use of a straight-forward version of the 'countervailing passions principle'.³² Mandeville reduced behaviour to the individual maximisation of pleasurable passions without consideration for others,³³ combining methodological individualism and hedonism. Mandeville then proposed that humans take joy in being applauded, considering 'pride' intrinsically valuable. He argued that social approbation compensates selfish agents for restraining passions which are deemed socially improper.

'Flattery must be the most powerful Argument that could be used to Human Creatures... with unbounded Praises ... bestow'd a thousand Encomiums on the (selfish) Rationality of our Souls, by the Help of which we were capable of performing the most noble (other-regarding) Achievements' (Mandeville, 1988[1732], i.30).

Because humans 'are solicitous about gratifying... (their) appetites',³⁴ the desire for social approbation trumps the passions which the agent knows are not considered praiseworthy by others.

'virtue, who from Politicks Had learn'd a Thousand Cunning Tricks, Was, by their happy influence, Made Friends with Vice' (Mandeville, 1988[1732], i.7).

This is a specific scenario of the pride-mechanism in which social approbation can explain social preferences. In practice, the actions driven by social approbation could go different ways depending on the social conventions. Heterogeneity of behaviour, which is driven by various interpretations of social norms, is hence accounted for.

Whilst the language of Mandeville is heavy with idiosyncratic views about vice and virtue, the claim that individuals seek to maximise social approbation can be made

³² Force, 2003, p.152.

³³ Mandeville, 1988[1732], i.42.

³⁴ *Ibid.*, i.30.

independently of categorical ethical propositions. In fact, social and moral preferences, which he called *virtue*, are not universal truths in Mandeville's account of society, but rather the result of a desire for social approbation. According to Mandeville, moral rules are variant over time and space because they are arbitrary tools invented by rulers and moralists to render people 'useful to one another'.³⁵ He argued that by defining virtue as 'regard for the publick', and making virtue the object of social praise, wise philosophers and skilful politicians were facilitating social collaboration.

The only ethically-neutral inference that can be made from the social approbation mechanism is that people will inevitably approve of behaviour that also advances their own private interests. It could be argued that social norms are the manifestation of common interests over time and thus, the desire to conform to social rules in order to receive the approbation of others provides an individual incentive for pro-social behaviour. Note, however, that this conclusion does not suggest humans are endowed with intrinsic morality. Instead, it proposes that humans can learn over time to build social-reward mechanisms that promote collectively beneficial activity. Through the individual desire for social approbation, conforming to social conventions becomes individualistically rational.

The mechanism hence provides a rationalisation of collective action which might play a role in the challenge of efficient allocation. In a discussion about fruit distribution amongst various guests, Mandeville exemplifies how social approbation can result in a voluntary, and therefore individually optimal, allocation that reveals social preferences.

'If there are Seven or Eight Apples or Peaches among Six People... that are pretty near equal, he who is prevail'd upon to choose first, will take that, which, if there be any considerable difference, a Child would know to be the worst' (Mandeville, 1988[1732], i.72).

By doing so, the agent chooses to accept a material loss (opportunity cost) in the interest of others, revealing social preferences. The reasoning is that in the agent might reach higher utility by maximising social approbation instead of material gain.

'By this Civility the Best remains for others, which being a Compliment to all that are present, every Body is pleas'd with it: The more they love themselves, the more they are forc'd to approve of his Behaviour' (Mandeville, 1988[1732], i.72).³⁶

By bringing 'self-love' into the equation, Mandeville is reiterating how this pro-social behaviour is self-interested in nature. The simple fruit case outlines how approbation, prompted by the propensity to sympathise, constitutes an extrinsic reward for the selfish agent. The First Axiom of Revealed Preferences specifies that, if agents act in this manner voluntarily, the post-distribution scenario would be considered superior to the pre-distribution one, revealing an individual preference for social approbation. If empirical testing were to show this, one could argue that the social approbation mechanism provides a self-interested incentive for social preferences.

Mandeville recognised the challenge of validating his cognitive hypothesis. Through simple observation he found a puzzle that could potentially support his behavioural mechanism. By inquiring into the self-interested reasons for entering military action, he

³⁵ *Ibid.*, i.34.

³⁶ *Ibid.*

identified public recognition as one of the few convincing explanations without relaxing the axiom of self-interest, 'soldiers, that were forc'd to fight, If they surviv'd, got Honour by't'.³⁷

Public honour might seem an unreasonable justification to participate in warfare for *Homo Economicus*. Yet Mandeville thought that a self-interested agent might value the resulting social approbation more than the increased risk of death.

2.iii Evidence

Using methodologies unavailable in the 18th century, modern behavioural researchers have found experimental evidence for the social approbation motive. For instance, Andreoni and Petrie show that removing anonymity in public good's games significantly increases voluntary individual contributions.³⁸ Beyond the external validity of a public goods experiment, the fact that only varying anonymity within the same sample increases pro-social behaviour provides a controlled account of the potential behavioural effect of overt social approbation. Andreoni and Bernheim further propose that the apparent fairness – a conventionally praiseworthy trait – revealed repeatedly in field and lab experiments, can be driven by an inclination for being 'perceived as fair' by others. In fact, their research suggests that the signalling effect accounts for previously unexplained pro-social conduct more fully than a simple appeal to exogenous social preferences.³⁹ The large public exposure and praise following substantial charitable donations provides an indicative real-world example.

List's investigation into the second-hand trading of baseball cards also shows that, contrary to consumption-maximisation, sales involve fairer prices (higher correlation between quality and price) when the trading parties live in closer geographical locations. List argued that traders with a higher degree of social relatability or higher likelihood of crossing paths again experienced an erosion of material maximisation. List finally concluded that half of the effect originally attributed to social preferences actually arose from reputational considerations, which are not internalised by the price mechanism.⁴⁰

Further research indicates that social approbation maximisation might be based on social norms. For instance, certain criminal groups have a form of social convention in which the act of confessing is highly disapproved of,⁴¹ making non-confession (cooperation) the preferred strategy. This challenges the conventional prisoner's dilemma. Furthermore, a cross-cultural experiment conducted by Bowles identified cultural differences when voluntarily contributing in a public good's game. Introducing the ability to identify and punish low contributors increased individual contributions but also revealed that players were willing to undergo a personal financial cost to punish others. Being a cross-cultural experiment, the researchers were also able to identify that punishment varied depending on social norms. In Western societies, low-contributors were generally punished, revealing a social distaste for low-contributors. Yet in other societies, high contributors were punished as retribution by low contributors who had been previously punished.⁴² While the experiment identified the importance of punishment, social conventions also seem to have a distinctive influence on behavioural patterns. Furthermore, the experiment could indicate that the maximisation of social approbation works as a risk-averse inclination to prevent punishment for behaving antisocially. This characterises compliance with social norms as a pre-emptive instinct to avoid potential punishments from society – being ostracised would be a famous example. The

³⁷ Mandeville, 1988[1732], i.7.

³⁸ Andreoni and Petrie, 2004, pp.1605-1623.

³⁹ Andreoni Bernheim, 2009.

⁴⁰ List, 2004.

⁴¹ Anderson, 1996, p.35.

⁴² Bowles, 2016, pp.139-141.

notion that there might be a need for such a mechanism suggests that *Homo Economicus*' selfish materialistic behaviour does not cover all externalities of an agent's activity.

2.iv The Challenge of Anonymity

Behavioural research indicates that anonymity poses an important challenge to the social approbation motive, as it removes the agent from the public's eye. The motive seems to require identifiability, implying a failure to explain pro-social actions completed in anonymity, such as tax payments or small donations. If applause is not forthcoming, the incentive is absent.

Recognising this issue, Smith argued for a cognitive reward mechanism in which the "pleasure of seeing' the results of pro-social behaviour, also thought of as a warm glow, engenders the self-interested incentive behind the act of unconditional collaboration.⁴³ This complies with a hedonistic model of behaviour; the act is self-interested because there is a 'reward' for the agent and unconditional because it does not depend on reciprocity. Instead, the 'reward' comes from triggering an internal reward mechanism which, as is the argument here, is based on expectations of the approbation of others: 'With the eyes of other people, scrutinize the propriety of our own conduct'.⁴⁴

By internalising this mechanism, the desire for hypothetical social approval makes agents judge their own behaviour in the same way others would, using pre-acquired norms of social conduct as the criterion. Similarly to Smith, Akerlof and Kranton argue that 'people have identity-based payoffs' which they derive 'from their own actions' and 'from others' actions'.⁴⁵ Furthermore, they sketch how some identity characteristics might be chosen individually whilst others are exogenous, ultimately defined by socially-constructed conventions such as gender, class or aesthetics. Bowles summarises their argument when explaining that agents facing a consumer or production choice are not only trying to *acquire* something but also building towards *being* someone, 'both in their own eyes and in the eyes of others'.⁴⁶

The resulting view is that judgement about oneself is contingent on others, a clear challenge to methodological individualism.

'Every faculty in one man is the measure by which he judges of the like faculty in another. I judge of your sight by my sight, of your ear by my ear, of your reason by my reason' (Smith, *TMS*, I.iii.10).

Smith further argues that we judge our own actions and behaviours the same way we would judge that of others, which he embodies with the idea of an impartial spectator. The impartial spectator, according to István Hont, is the mechanism behind turning 'a balanced normalised appraisal of society... into the psychological armoury of individuals'.⁴⁷ As such, the impartial spectator (an imaginary social judge of our actions) drives the pro-social without overt social approval from our surroundings. In a way, it internalises social norms and makes agents act in a way in which others would approve of. With the impartial spectator, agents reward themselves with social approbation when their choices conform to social conventions.

While the social approbation motive can, in theory, be made fully intrinsic through the impartial spectator, it is difficult to believe that social preferences could parallel the intensity of

⁴³ Smith, *TMS*, I.i.1.

⁴⁴ *Ibid.*, III.i.5.

⁴⁵ Akerlof and Kranton, 2000, p.717.

⁴⁶ Bowles, 2016, p. 192.

⁴⁷ Hont, 2015), p. 37.

the regard for oneself. Mandeville's and Smith's ideas show instead how the desire to maximise social approbation constitutes a mechanism that can drive pro-social behaviour amongst self-interested agents. Nonetheless, the social approbation incentive is not all-inclusive and merely complements material self-interest.

3. Proposing a Simple Utility Function

Since neoclassical economic agency has been sanctioned through its integration into mathematical language, this section formalises the notion of social approbation maximisation derived from the 18th-century classical economists. The aim is to incorporate their insights about social approbation as a framework for understanding heterogeneous behaviour into a basic utility model of economic agency.

3.i Existing Approaches

The economic literature that acknowledges the existence of social preferences generally invokes two types of utility functions. First, utility models in which agents care for the utility of others, especially amongst families and small groups, as shown by the utility function:⁴⁸

$$u_i(c_i, u_j(c_j, u_i))$$

Agent i cares about her own consumption and also the utility that j derives from consumption, c . This model only acknowledges consumption gains yet includes other-regarding preferences, without providing an endogenous cognitive mechanism for them.

An alternative utility theory to explain social preferences invokes models of inequality aversion, as formalised by Fehr and Schmidt (1999) or Bolton and Ockenfels (2002). In this formalisation, agents prefer outcomes that minimise inequality, implicitly caring for the material well-being of others.

$$u_i(c) = c_i - \gamma_i \max(c_j - c_i, 0) - \beta_i \max(c_i - c_j, 0)$$

Where γ_i captures the agent's disutility of having less than j and β_i the disutility of having more than j . In the case of $c_i > c_j$, agent i cares for the consumption of j .

While both of these approaches provide a framework for understanding social preferences by interconnecting individual utilities, they still adhere to the neoclassical assumption that consumption is the sole source of utility.

3.ii A Simple Utility Function with Overt Social Approbation

The approach taken here is different, as it includes an alternative source of utility: social approbation. Social approbation is an individual desire consistent with the maximisation of abstract utility units. The aim is to provide a model for understanding social preferences in social behaviour beyond the family, where simply evoking other-regarding preferences is harder to justify. By including social approbation as a utility variable, the strictness of methodological individualism and material self-interest is relaxed; the model acknowledges that humans act within a social context and care for others.

A Cobb-Douglas utility function is chosen to represent the relationship between material self-interest and social approbation, in order to represent diminishing marginal rates

⁴⁸ Bergstrom, 1988.

of substitution with convexity. Amongst low-consumption agents, extra consumption increases utility sharply while social approbation might be less relevant. However, social approbation becomes more valuable relative to consumption beyond the point of material satiation, where extra consumption provides little intrinsic utility.

The proposed utility function is therefore:

$$u_i(q) = \alpha \log S_i(q) + (1 - \alpha) \log A_i(q) \quad (1)$$

Where utility is a function of the latently separable material self-interest, S , and social approbation, A , of an individual, I , and which depend on continuous actions, q . Material self-interest encompasses commercial activity in which acquisition of wealth, consumption or investment opportunities are the aim. These should account for the utility-enhancing variables traditionally studied in economics. The effect of social approbation, on the other hand, depends on changes in utility that come from A . Social approbation represents the amount of approval an agent receives from society as a result of his activity – overt approbation. The agent chooses a feasible combination of choice variables, q , that bring him onto the highest indifference curve.

The potential of this model to explain social preferences is outlined in the following scenario, in which the positive material utility derived from a choice is offset by the disutility of negative social approbation. This case represents and formalises Smith's and Mandeville's principle of counterbalancing passions, as identified by Pierre Force.

Imagine, for instance, a consumer decides on the level of loud music to play, q , which also affects others through negative externalities. If only driven by material self-interest, the agent would proceed choosing a high q .

$$\frac{\partial S}{\partial q} > 0 \quad (1.1)$$

$$\frac{\partial A}{\partial q} < 0 \quad (1.2)$$

$$\left| \frac{\partial A}{\partial q} \right| > \left| \frac{\partial S}{\partial q} \right| \quad (1.3)$$

According to condition (1.1), playing loud music would increase her utility. However, if society overtly disapproves of her activity, she would derive negative utility from proceeding, condition (1.2). As a result, the agent faces a trade-off between material self-interest and social disapprobation. Furthermore, if the absolute magnitude of the social approbation effect is larger, condition (1.3), the agent would derive more utility by conforming with social norms, thus voluntarily choosing a lower level of q .

Turning the direction of the effects (1.1) and (1.2) around outlines a different scenario in which an agent might choose to assume a material loss if the extra utility derived from increased social approbation is larger in absolute terms, condition (1.3). This scenario could explain altruistic punishment – when agents punish low contributors at a personal loss – observed in some public goods games. Thus, even when clearly distinguishing between material self-interest and the desire for social approbation, condition (1.3) enables comparability between the two driving forces. Reversing the inequality in (1.3) would indicate that the agent puts more weight on material self-interest.

3.iii Modelling Social Approbation

For a more detailed analysis, it is necessary to consider the supply side of social approbation. Following the ideas of Smith and Mandeville, social approbation depends on overt and covert approbation. The previous case provides a simple illustration of the mechanism, ignoring some of the difficulties surrounding social approbation maximisation. Equation (1) outlines a scenario that does not account for the fact that overt social approbation is limited to the people that can ensure their approval reaches the agent; family, friends, public figures. Social approbation would be purely a function of the number of people overtly approving and the intensity of their approbation, which might be larger than expected due to social media. Nevertheless, as with the challenge of anonymity, overt approbation cannot account for actions that reveal social preferences in which the agent's identity is unknown or indistinguishable from others.

Building on expected utility theory, this is where the notion of covert approbation comes into play. Social approbation is not only a function of post-action overt approbation but also depends on the agent's own expectation of the approbation she would receive if everyone knew her choice, but which is not overtly expressed and might have a probabilistic distribution. The agent is taken to maximise the expected social approbation of some function defined by social norms. To represent this, the following equation could be thought of as the production function of social approbation; it is inspired by the identity-based approach pioneered by Akerof and Kranton (2002).

$$A_i = A_i(o_i(q), c_i^e(q)) \quad (2)$$

Social approbation depends on changes in the total level of overt approbation, o_i , and the agent's expectation of changes in total social approbation, c_i^e . The covert self-approval based on social expectations, c_i^e , characterises Smith's impartial spectator. It reveals the drive to comply with the social norms acquired by the agent, learned through experience in society, since the agent expects approbation would be bestowed on that basis. These might be ambiguous, as both vectors are ultimately dependent on possibly different interpretations of the extent to which the agent's choice conforms to social norms.

Furthermore, overt approbation can be broken down into:

$$c_i = c_i(n, \bar{k}_i(q)) \quad (3)$$

Where approbation by others (3) depends on the number of agents close enough to express their approval, n , and its intensity, defined by the average level of relatability or agreement with the agent's choice, $\bar{k}_i(q)$. One could think of this as a modified version of the gravity trade model, where 'mass' is degree of relatability. Overt approbation of others is therefore dependent, as Smith's sympathy mechanism outlines, on the degree to which others relate and empathise with the agent's situation and choice.

$$w_i^e = w_i^e(k_i^e(q)) \quad (4)$$

On the other hand, covert approbation in (4) varies with the agent's expectation of the degree to which others would agree and relate to her choice, $k_i^e(q)$, which Smith called the impartial spectator. This can be instrumented through the degree to which an agent's choice conforms to the social norms of the agent.

4. Conclusions

The aim of this paper has been to pinpoint the social approbation mechanism as a potential way of accounting for social preferences. Reassessments of the most fundamental behavioural axioms embedded in economic thought have gained traction in past decades, driven by recent behavioural research. This constitutes a response to the neoclassical tradition which has long championed consumption-based utility maximisation. This paper has sought to revive and modernise a more comprehensive utility model of human behaviour derived from the thought of two classical economists – Mandeville and Smith. The capacity to have pro-social preferences has revealed that material self-interest is a limited model to explain individualistic behaviour, partly because it ignores social dynamics. The central idea obtained from these thinkers is that a behavioural model should account for the desire to *be* someone rather than just to *acquire* something. For this purpose, agents seek the approval of others.

Due to this craving to be approved of by others, social preferences are made individually rational within a utility-maximisation framework. For this driver to become an incentive for collective action, it must be assumed that time-variant social norms reward behaviour which furthers common interests. Contrary to how the private desire for scarce consumption bundles leads to a confrontation of interests, the individual desire for social approbation can prompt the alignment of private interests. The direction of its effect ultimately depends on social norms, which could incite conflict as well as cohesion. Further research into the role of social norms could identify whether it provides an incentive for collective action, undermining the free-rider problem.

The formalisation of the ideas discussed in this paper provides a model of economic behaviour that permits agents to have social preferences whilst maintaining material self-interest. It loosens methodological individualism by making an agent's utility function dependent on the interests of others, taken to be represented by social norms. Self-interested agents find, in their desire for social approbation, a motivation for their social preferences.

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What can Economists Learn from Deleuze?

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Abstract

Listening, seeing and reading Gilles Deleuze has had an influence on my thinking more than most of the economic writings I have consulted over the past quarter of a century. This discovery and furtherance of knowledge enriched my reflection and also allowed me to go beyond the general philosopher, as a philosopher opening the way to new horizons. It makes the researcher aware that the most important thing is not the philosopher man but the man philosopher, i.e. the one who writes something that touches a human being at his deepest level and concerns him in his life every day. New generations of economists should meditate on this by going beyond the chapel quarrels coming from the Schumpeterian dichotomy 'science versus ideology'. To quote one of Deleuze's main ideas, no thinking *against* anything has been important over a long period; what counts are thoughts *for* something new that affect people's lives, and which are produced with rigor. This opens the way to a thought for life and not against life, which is in line with the progress of research in methodology, where it is a question of giving more importance to social ontology as a level of analysis and not focusing solely on epistemology in the narrowest sense.

Keywords: Philosophy, economics, knowledge interaction, Deleuze

JEL codes: A12, Z0

Introduction

My meeting, as an economist, with Gilles Deleuze was through *L'Abécédaire (The Primer)*, a French TV movie produced and directed by Pierre-André Boutang in 1988. Its first broadcast was on Arte in 1996, in the program entitled *Metropolis*. Composed of eight hours of interviews, *The Primer* is the only movie devoted to this thinker who has always refused to appear on television. For this one time only, he agreed to be interviewed by a television crew, provided that the film took the form of conversations between him and his former student and friend Claire Parnet and that it was broadcast after his death. After having followed most of the interviews when the weather allowed it, I was able to meditate over the years on the meaning of Michel Foucault's (1970, p. 885) lucid affirmation stating: 'Perhaps one day, the century will be Deleuzian'. Deleuze reconciled me with philosophy because he had invented another way of doing philosophy, he gave the impression of thinking by speaking and speaking by thinking. He did not go through intermediaries – *les maîtres d'hier* – he did not give himself the image of a philosopher, he did not make a show like the new philosophers (Deleuze, 1977), who are not really philosophers and bring nothing new. Television does not promote the expression of thought because there is a link between thought and time, and a negative link between urgency and thought (Bourdieu, 1996). The media coverage of the Covid-19 pandemic has only confirmed this trend.

Philosophy, Deleuze emphasises, is not the confrontation of opinions. Philosophy constitutes concepts that deal with life's problems (Deleuze, 1983). There was something

quite magical about him that made the learner feel the double will to both define his thoughts through words as closely as possible, and at the same time to be understood. This reconciliation has gradually led me to take an interest in other disciplines outside the field of specialisation itself, in the first place the philosophy of science and knowledge, epistemology, the history of science and technology, sociology of knowledge and archaeology of knowledge which has given a new turn to my doctoral thesis at the School of Higher Studies in Social Sciences. The reading of Deleuze could only lead to Foucault: they were bound by a philosophical friendship. This is evidenced by the above-mentioned statement of Foucault on Deleuze. For his part, Deleuze admired Foucault very deeply (Dosse, 2009, p. 364) and considered that the questions raised by the latter came to form one of the greatest philosophies of the 20th century, opening up a future of language and life (Deleuze, 2004).

The purpose of this paper is not to deal with purely economic issues from a philosophical point of view or to focus on a philosophy of economics. In other words, it is not a question of how Deleuze approached or could help to better understand certain economic issues, concepts, or systems such as capitalism (Deleuze, Gattari, 1972; 1980). Rather, it is a question of inviting the economist to read outside the field of the specialty itself, to think by himself, to emancipate himself from economic concepts, the key words, and the resulting indicators, which constitute a smokescreen that prevents the fundamental questions that face human societies in their daily life (Belabes, 2001). In what way can Deleuze's philosophy be used by economists, even and especially when it does not speak about economics? This is the subject of this paper, which is not a matter of circumstances, but touches on the constitutive relationship of non-philosophy with philosophy – no longer considered as the mother of science. In this sense, it remains useful to the economist but also literature, art, semiology, history, anthropology, sociology, psychology, law...

1. Literature Revue and Epistemological Posture

The writings that have examined the interactions between Deleuze's thinking and economics seem to confirm the idea that Deleuze's philosophy has crossed the border between philosopher and non-philosopher (Le Garrec, 2010). What is striking at first glance is the following:

- i. Most of the authors are Anglo-Saxon.
- ii. They only referred to written material.
- iii. The references are translated from the language of Molière to that of Shakespeare.

This confirms the famous proverb 'No one is a prophet in his country'. In other words, the talent is more often recognised abroad than at home.

Beyond the phenomenon of financialism (Barthold et al, 2018; Barthold, 2018; Badaire, 2019) closely linked to resistance and power, which are two major concepts in Deleuze, most of the writings remain embedded in an economo-centric approach that revolves around economic concepts such as labour (Litaker, 2004), price (Roffe, 2004); money (Goodchild; 2010; Kerlake, 2015), debt (Janvier, 2012; Badaire, 2016), innovation (Glezos, 2010), human capital (Janning, 2015), development (Rowe, 2012a, 2012b), microfinance (Retsikas, 2015), economic policy (Juniper, 2006), capitalism (Vandenberghe, 2008; Pfeifer, 2017) and Marxism (Jameson, 1997; Garo, Sauvagnargues, 2012; Mejat, 2012; Holland, 2014).

It should be noted that although Deleuze referred to the 'constitutive relationship of philosophy with non-philosophy' (Deleuze, Gattari, 1991, p. 105), it is striking that he does not

answer exactly in this text the question he raises. He indicates that philosophy can be personally useful to non-philosophers without the philosophical teaching provided being part of a simple general culture. He also notes the importance of resonances between levels and domains of externality (Deleuze, 2003, p. 153) and points out that the discipline taught must take on learner-specific domains.

On the other hand, he says nothing about the actual content of these resonances, about how philosophy can serve thought proper to economists and enrich it through questioning that transcends the limits of the specialty. He does not go into more detail on the subject by distinguishing the case where philosophy talks about economics and the case where it does not. He only points to what might be called the need for philosophy to ensure the possibility of such a service rendered to the economist. It is for him, the essence of philosophy not to lock oneself into purely disciplinary distinctions, to be a thought that takes on other fields and thus to offer non-philosophers the possibility of resonances for themselves.

With regard to what precedes, the problem of the paper is: what are these possible resonances, specifically for an economist, especially when it is no longer a question of philosophy in general but of philosophy as conceived by Deleuze?

2. The Purpose of Research is Not to Please

The economist who undertakes research work worthy of the name must not seek to please, to propose a product that meets the desire of the general public, business world, or public authorities. This is in line with words attributed to Paul Klee: 'You know, the people are missing', often taken up by Deleuze. In fact, the latter quotes the painter from memory. In his book *On Modern Art*, Paul Klee ([1964]1980, p. 33) writes: 'This last force is lacking for want of a people that carries us'. According to Deleuze (1987),

'the people are missing and at the same time, they are not missing. The people are missing, this means that this fundamental affinity between the work of art and a people that does not yet exist is not, will never be clear. There is no work of art that does not call upon a people that does not yet exist'.

This figure of the missing people does not indicate the artist's failure but rather characterises his work and movement. This intrinsic lack permanently reactivates the ability to resist the world as it is. The artist feels, expresses and testifies. His duty, like that of every human being with a creative mind, is the testimony; he knows that he has no influence.

In the same lines under a different formula, Umberto Eco assigns to literature the following mission: 'to produce pessimistic readers; to force them to reflect – to think'. That is why he amuses himself by saying about his book *Numero Zero* where he reveals the wounds of a media world saturated with information: 'After reading my book, I hope you will throw yourself out the window!' (Malsang, 2015). In an interview at Yale University, where he gave a series of lectures, he said: 'A book must be judged a hundred years after the author's death. Before is too early' (Eco, 2013). For his part, the writer and philosopher Malek Bennabi told his wife a few days before his death in 1973: 'I will return in thirty years' time' (Boukrouh, 2016). This posture is antinomical with that of 'to please everyone' where 'it is not a question of saying what is, or what we think, but what we believe will please', as Henry de Montherlant (1959, pp. 1538-1539) notes in his novel *Les Lépreuses* published in 1939. Any original work, which bears the specific mark of its author in agreement with itself, is an act of resistance to

insignificance when everyone thinks the same thing to preserve the acquired advantages. This leads to an exploration of the relationship between resistance and power.

3. Think of Resistance as an Act of Creation and Not as a Reaction to Power

In a course that explores Michel Foucault's notion of power, Deleuze (1986) notes that power took as its object the whole of life. 'When power took life as object, he writes, life turns against power'. If power invests life, to the point of occupying it or appearing to occupy it completely, it is because life is a power that, as such, can and must free itself from it to give free rein to its creative impulse. In other words, resistance is purely and simply the freedom to be oneself, it is not a reaction, unlike power, which takes life as its object and appears as a reaction that tends to exploit the smallest details of life for domination.

This reflection provides new insight into the analysis that highlights the predominance of the logic of power over that of profit, contrary to the assertions of neoclassical theory according to which the objective pursued by the firm is the maximisation of profit. As Thomas Coutrot (2018) notes: 'Capitalism is not a system that puts profits above all else, but it is a system of accumulation of power. That is, profit is a means but not an objective.'

If power took as its object the economy, it is because it assimilates all aspects of human life into simple products that are sold and bought, and societies to market areas where everything now has a price. Market values, after subjecting land, money and labour that are fictitious commodities to the extent that they have not been produced for sale (Polanyi, 1983, p. 107), are beginning to invade all aspects of life, from family and personal relationships to transportation, energy, water distribution, health, education, research, culture, politics and civic life. This growing influence is leading to the eviction of human values that should be preserved. Market and money now influence areas of life that were once governed by non-market standards (Sandel, 2014, p. 67). The functioning of firms is not only influenced by the market mechanism – it is determined by it (Polanyi, 2008, p. 525). The relationships between humans themselves and their relationship to the world are changing radically. This inevitably leads to a change in the meaning of the words work, land, money, especially since the creation of money *ex nihilo* fell into the hands of private banks. In this sense, money becomes one of the keys to understanding the contemporary financialized economy and the systemic risks it poses to the whole of humanity.

Moreover, and this is undoubtedly the most important point, Deleuze's reflection invites us to emancipate ourselves from the obsession to criticise in an almost systematic way the power of neoclassical theory. The act of resistance does not result from a reaction to the latter, it is expressed through the creation specific to each author and which inevitably involves a renewal of concepts that best reflect the purpose of the economy in terms of the aspirations and concerns of contemporary societies. Most critics of neoclassical theory profess to be critical rather than creative. Writings against neoclassical theory cannot prevent it from dominating the teaching of economics. As Deleuze (2002, p. 269) rightly notes: 'No book against anything ever matters; only books "for" something new and that know how to produce it count'. The most popular criticisms are those that reinforce the legitimacy of the neoclassical model rather than discredit it. For example, the approach proposed by Joseph Stiglitz in his critique of the market efficiency hypothesis. In his view, there are indeed market failures. They are based on information asymmetries. Markets do not work well because all agents do not have the same information (Rothschild, Stiglitz, 1976; Stiglitz, Weiss, 1981). This type of approach remains trapped within the neoclassical theoretical framework and retains its key concepts.

4. The Art of Making Concepts

In their book *What is Philosophy?* Gilles Deleuze and Félix Guattari (1991, p. 26) write: 'Philosophy is the art of forming, inventing and manufacturing concepts'. This reminds us of Friedrich Nietzsche's words ([1884-1885]1982, p. 215) written more than a century earlier:

'Philosophers must no longer be content to accept the concepts they are given, just to clean them up and make them shine, but they must begin by making them, creating them, asking them and persuading people to use them'. [In this sense, philosophy is more than a] 'system of rational knowledge formed by concepts' (Kant, 1830, p. 2).

Philosophy only uses the concept to abandon it by transcending it (Adhémar, 1905, p. 43). Concepts adopted in the form of dogmas hinder free philosophical thought (Dumesnil, 1892, p. 66).

A concept of a thing is the general idea of its content or object, which is what gives it its character, what constitutes it and distinguishes it. To put it simply, the concept is what reshapes the event to reveal an unknown form. Any concept is positive or negative; although the verbal form does not always indicate the character of the concept it expresses (Goblot, 1918, p. 93). If the concept of competitiveness has a positive connotation, that of social charges, which has gradually replaced the concept of social contributions, it expresses a burden on enterprises. Words are not only symbolic representations of reality; they are also action programs that guide, without being fully aware of it, our perception of reality (Bourdieu, 1982, p. 99). If the essential character of life is to change continuously, concepts are fixed in the sense that their formation fixes something by eliminating what has not been fixed (James, 1910, p. 243). This raises the question of the scope and limits of the concepts.

If philosophy is a discipline that consists of creating concepts as mentioned by several philosophers, concepts, notes Deleuze (1987),

'do not exist ready-made, and concepts are not hanging in the sky waiting for a philosopher to seize them. Concepts must be produced. So, of course, they are not simply made like that; you don't say to yourself one day, "Well, I am going to make this concept – I am going to invent this concept," no more than a painter says to himself one day: "Here, let me make a painting like this." There must be a need, as much in philosophy as elsewhere, just like a filmmaker does not say: "Here, I will make such a film." There must be a necessity, otherwise there is nothing at all.'

This means that the creation of concepts responds to a pressing need, to an obstacle that must be overcome. As written by Deleuze:

'Any concept refers to a problem, to problems without which it would not make sense, and which themselves can only be identified or understood as they are solved [...]. In philosophy, concepts are created only on the basis of problems that we consider poorly perceived or posed' (Deleuze, Guattari, 1991, p. 22).

Starting from the fact that the concept does not have the function of saying what would be an objective essence of things, the philosopher constantly redesigns the concepts according to

the problematic variations he has in mind, and according to the contexts, 'to prevent foolishness' (Deleuze, 1988).

Foolishness is the part of us that, looking at each other like a mirror, crosses the world seeking its equal or its reflection. Foolishness is the reduction of the world to the 'I', the other to the same, the difference to the identity. Foolishness. Drowns a person in a group where nothing else distinguishes him and where it is the current that carries him in a specific direction. Hence the need to problematise our relationship to the world by not giving it predetermined content.

The invention of concepts stems from an intuition (Kant, 1843, p. 81) or from an interpretation to think of the eventuality, i.e. the possible still unsuspected, beyond the positivism that has wanted to keep in science only the regularities (Bouleau, 2018), commonly referred to as laws to which one must submit or disappear. It is clear, as Bernard Guerrien (2004: 101) points out, that the word *law* cannot be taken in economics in the same sense given to it in the natural sciences.

5. If we do Not Pose Problems in the Same Way, it is Not Worth Listening to Each Other

'Leave three economists together and you are sure to have at least four opinions on the policy to be followed'. This is the popular stereotype, according to Milton Friedman ([1968]1976, p. 21), which, like most clichés, contains an element of truth. However, he adds, the apparent disagreement between economists is exaggeratedly amplified. It is obvious that when they discuss among themselves, they do not spend their time repeating what they already know; they confront their opinions. The same impulse that pushes a manufacturer to differentiate his product pushes an economist, when he gives a public opinion, to present his point of view in the most original and personal way possible. In addition, economists, when expressing their views to the public, tend to adapt their strictly economic judgments to the requirements of flexibility and political realism that are imposed on them to varying degrees.

For Deleuze (1982), 'people can only listen to each other if they have a minimal level of implicit understanding, i.e. a common way of raising problems'. If the first step of the communication is to listen to each other, the definition mode is essential because it allows people to explicitly ask about the problem they want an answer to. In order for the problem to be fully addressed, the definition of the problem must be developed with a common language. As Jean Rostand wrote: 'We can get along with people who do not speak the same language, but we cannot get along with people for whom words do not have the same meaning'. For Deleuze, thinking also means thinking about style and modes of enunciation.

At the opening of *Dialogues* with Claire Parnet, Deleuze expresses his discomfort with dialogues and interviews. Most of the time, when asked a question, he realises that he has nothing to say. In addition, one should not ask a question, but make a question, because a question is the result of a process of making a problem. The goal, he adds, is not to answer questions, but to get out of questions: in a way to extrapolate – out of philosophy, through philosophy – or to deterritorialise questions, i.e. to solicit elements from elsewhere and from anywhere. Thinking must, in this way, succeed in 'becoming imperceptible', i.e. creating a geography of thought, orientations, directions, 'inputs and outputs' (Deleuze, Parnet, 1996, p. 8). Based on this idea, Deleuze confides that he has never considered that a student was wrong if he did not come to listen to him, believing that the way of posing problems did not suit him. Having this attitude does not mean that the student is against the teacher or shows a lack of respect for him. 'This means, to use a complicated word, that your own problems do not pass through mine' (Deleuze, 1982).

Unlike Milton Friedman who does not tackle the root of the problem and does not elaborate it explicitly, Deleuze (1982) puts his finger on the essential point: 'When we say that two philosophers do not agree, it is never because they give two different answers to the same question. It is because they do not pose the same problem'. The philosopher must not be erudite at all costs at the risk of becoming abstruse to the greatest number of people. On the contrary, he must engage – in a more modest task – a pedagogy that analyses the conditions for creating concepts (Deleuze, Gattari, 1991, p. 17). In other words, what is most important is to understand a concept in concrete terms, in its emergence, in its singularity, and not to make philosophy a science of abstraction, which rejects those who are not familiar with speculative thinking. Pedagogy is used to make the concept an event in itself and to bring out a living thought

Concepts do not appear, in accordance with traditional understanding, as key words that dominate the history of philosophy. On the contrary, they are tools that indicate a direction more than they characterise a circumscribed place in the field of thought. We could say that concepts are the vanishing lines, intensities, rather than programs of intentions. This is reflected in the *Abécédaire* which tends to reveal futures rather than words: futures that are more acts, constructions, than fixed concepts. It is not the words that count – words can always be replaced by other words – but rather the arrangements created from letters or words.

From this approach, Deleuze invites people to invent new ways of reading and writing:

'Good ways of reading today are to treat a book the same way we listen to a record and watch a film or a TV show [...] There is no question of difficulty or understanding: concepts are exactly like sounds, colors or images, they are intensities that suit you or not, that pass or do not pass' (Deleuze, Parnet, 1996, p. 10).

This conception is light years away from the dominant pedagogical practice in the higher educational institutions that provide training in economics, where the excess of mathematical formalism leads to a dramatic uniformity of thought that ends up stifling the diversity of conceptions (Orléan, 2015).

6. A Thought of 'Life' and not of 'No to Life'

Deleuze's main concern is to make thought alive. Philosophy, in his eyes, is about understanding and producing points of view about the world. It is the conceptual art of moments of life. Considered in this way, the task of thought is to free what Man never ceases to imprison, in particular because of his alleged rationality. To move in this direction, philosophy must begin with itself and ensure its autonomy; self-organisation is indeed the hallmark of life. On the other hand, thought can tend towards its own confinement or death. Such is the case of thinking that supports the established order by claiming to be a simple and faithful image of reality. But this is also the case when the concepts bequeathed by our ancestors encourage inertia if they are not used properly with regard to the conditions of possibility.

The question that comes to mind is: how to keep thought alive? Deleuze never directly asks the question for fear, perhaps, of preventing the fulfillment of the requirement that gives rise to it: 'Questions are made up, as anything other. If you are not allowed to make your questions, with elements from everywhere, from anywhere; if they are posed on your

behalf, you don't have much to say' (Deleuze, Parnet, 1977, p. 7). The stakes are high: the gain in autonomy will allow thought to take its responsibility by creating concepts that immunise against the transcendent forces that separate thought from life.

To bring his thoughts to life, Deleuze sets them in motion. He avoids schools, trends, fashions, ready-made answers, and prefers singular and momentary encounters that allow everyone to create in their field. He departs from fixed debates where it is a question of taking a position in order to be readable. He switches from philosophy to cinema, from sports to music, from writing to speaking, from alcohol to work, from grave seriousness to whimsical laughter. This eclecticism allows the thought to be in constant contact with City of the form seen in ancient Greece, i.e. how people live, how they manage to survive. It knows it comes from somewhere and evolves somewhere. By confronting the emergence of the unknown, thought is at the service of life. It opens itself to the multiplicity and changes of the world to avoid falling into the spirit of system and priesthood, which is always a bad sign: 'The weaker the content of thought is, the more important the subject of enunciation becomes' (Deleuze, 1977). This is what separated Deleuze from those who proclaimed themselves 'new philosophers', those who have only the name of philosophy and bring nothing new. He frequents all kinds of activities but has no need to oppose the elders to allow himself to think. On the contrary, he reaffirms that, even if the activity of philosophy is redefined according to the times, the philosopher's primary task is to create ideas and that this happens both through current encounters and in relation to tradition. This is an undeniable matter, and it is necessary to reclaim it to prevent it from continuing to think in our place. It is not a question of sanctifying the old just because it is old, nor the new simply because it is new. As Hannah Arendt ([1961]1972, p. 50) shows, philosophers who have used the categories of tradition to attack it have encountered paradoxes and their revolt has failed, however brilliant it might be.

To understand Deleuze without bias and pre-judgment, one may need to listen, watch and read him to understand that he tackles different themes not only to express a thought and bring it to life, but above all, to encourage people to think and act for themselves. To be seized by Deleuze, the learner needs to go out on his way. It is not a question of agreeing with him, but of living his work as an initiatory journey. He does not define terms to make them work as slogans. What interests him is to produce 'a movement capable of moving the mind outside of representation' (Deleuze, 1968, p. 16), i.e. out of the repetitive past to live fully in the present moment and face what is.

The reader, the viewer, the listener will have every interest in being embraced by multiplicity and following risky paths that make the movement of ideas possible. However, there is no risk of getting lost if he agrees to see the fulfillment of Deleuze's major requirement: to make thought alive. He will have plenty of time to animate his thoughts, to find a source of fulfillment, by recreating in his own way the meaning. He will not necessarily have knowledge that answers his current questions. On the other hand, he will be stimulated to work from outside his field of interest. The Deleuzian experience is a story of nomadism which is a form of thought following a line of flight that does not get caught in the mesh of institutional forces. It evolves in a smooth and unchecked space (Deleuze, Gattari, 1980, pp. 438-528).

It should be noted that every human being has interests that he pursues throughout his life regardless of the field of predilection. As for literature, Umberto Eco confesses to one of his French translators: 'we only have a few real ideas and these few ideas we pursue all our lives' (Gayard, 2016). In his documentary *Derrière les Portes* devoted to Umberto Eco, Teri Wehn Damisch (2012) says: 'the wrong is central to his thinking'. The few real ideas to which Eco alludes thus converge towards the same 'central idea', as his Ph.D supervisor

Luigi Pareysón confided to him one day. This means that there are three levels of reading human works as follows:

- The first level deals with the question: what is the work about?
- The second: how did the author work?
- The third: which center is the work converging on?

This presupposes a careful analysis of the author's production, which undermines the book review industry as it has been generally practiced until now.

Conclusion

If reading Miguel de Cervantes' *Don Quijote* makes the reader aware that what gives long-term importance to writings is their capacity to touch the human being in a most profound sense: the man writer takes over the writer man. Listening and reading Deleuze reinforces this feeling in the sense that the most important thing is not the philosopher man but the man philosopher who keeps his feet on the ground and does not take itself seriously. Unfortunately, in a time when economics has become a dismal science, most higher education institutions only produce 'economist men' who glorify business in the narrower sense of the term that quantifies all aspects of life in terms of money. However, the important things in life are not quantifiable.

Economics has also become a hard science in the true sense of the word: it has no feelings towards human beings although it was originally embedded in social relationships (Polanyi, [1944]1983, p. 88). Under these conditions, it is difficult to envisage an equivalent of Foucault's sentence 'this century will be Deleuzian' in the orthodox school, i.e. a new way of doing economics, even in heterodox schools that tend to construct their identity, in an almost systematic way, in reaction to the neoclassical school. However, no writing against anything is worthwhile. The only thing that matters is the writing for something new in a rigorous way.

For Deleuze, it was not a question of engaging in a thoughtful construction, in the rational organisation of a meaningful structure, but rather of bringing out new creative vanishing lines. It is not a question of looking for whether the idea we are about to say is right and true, but rather of looking for an idea elsewhere, far from the suggested field. In the same way that new words are constructed by assembling letters in a new fashion, Deleuze invites us to a philosophy that assembles concepts in a new way. Thinking is built according to new arrangements. It is operative when it is in motion and generating interactions. There is something about him that can immediately be perceived as extremely bright and of a particular brilliance. For him, being a philosopher is not a role but a state. Hence the need to revitalise philosophy to preserve life by constantly inventing concepts. Deleuze's thought is a thought of 'life' not of the 'no life'.

Starting from the fact that a theory is based on a set of concepts, the role of a theory is not to provide an encompassing framework, a totalising basis or a unified speech. The role of theory is to function as a piece that interacts with other pieces in order to stage the vital forces of life. This reflects a way of justifying the plurality of text readings and an ability to generate effects that philosophy itself has not provided. Such an approach is similar to that of the engineer who designs products as systems composed of parts that interact. This is evidenced by his statement: 'what counts in a multiplicity are not the terms or the elements, but what is "entre", the between, a set of relationships that cannot be separated from each other' (Deleuze, 2003, p. 285). Applied to economics, this means that thinking does not emanate from a single school but results from a construction of problems through interaction,

i.e. an interpersonal relationship in which the behaviours of the actors involved influence each other and change each other accordingly.

Economists, whatever their school of thought, have every interest in meditating on this philosophy to work together and meet the challenges of the 21st century in an increasingly interdependent world facing the collapse of human civilisation. The Covid-19 pandemic has shown that economics is not everything in life. Money can buy a house, but not a home. It can buy a bed, but not sleep. It can buy a clock, but not time. It can buy food, but not appetite. It can buy medicine, but not health. It can buy tranquilizers, but not peace. Life must take over so that we will each do – not business – but what we have to do to build together a world that is more resilient, more sober, more united. This illustrates the philosophy in practice, and not just in the register of ideas as it appears on TV shows.

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Comment on Abderrazak Belabes' 'What can Economists Learn from Deleuze?'

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This article is a welcomed addition to the literature. It insightfully draws the numerous connections between classical economics and the works of Deleuze. Gilles Deleuze (1925-1995) was one of the most influential philosophers of his time (Badiou, 2000, p. 97). Michel Foucault once remarked that the twenty-first century may become known as Deleuzian (Buchanan, 1999, p. 1). Foucault moreover predicted that Deleuze's work would steadily grow in significance across a variety of fields, such as economics. His work is especially noted in trans- or interdisciplinary work where theoretical innovation is often regarded as an end itself (Tormey, 2005, p. 415). Deleuze (with Guattari, 1994, p. 28), when discussing his place among the great philosophers, once stated that 'is it to repeat what they said or to do what they did, that is, create concepts for problems that necessarily change?' because the field of economics is constantly changing.

Taking Foucault's lead, Belabes argues that economists can learn from the Philosopher of Difference.¹ For Deleuze, 'thinking differently, becoming different and the creation of difference' (Jeanes and De Cock, 2005, p. 3) are keys to understanding the world. This is important because a Deleuzian thought provides the tools to address unsymbolic² differences.

From a Deleuzian viewpoint the common sense, conventional and orthodox world is ultimately illusory. 'Genuine [understanding] ... occurs through signs which takes us beyond the illusion of habit and common sense to the truths of what Proust calls *essences* and Deleuze labels *differences*' (Bogue, 2004, p. 328). What escapes orthodox thought is difference, or the genuinely *new*, which can only be engaged through an *imageless thought* (Bogue, 2004c, p. 333). In order to generate new connections and conceptual transformations that move beyond existing frameworks, one has to 'want to do something with respect to new uncommon forces, which we don't quite yet grasp, who have a certain taste for the unknown' (Rajchman, 2000, p. 6). Thus, the orthodox approach can be conceptualised as the negation of *difference*. As a result, it is key to challenge the orthodox understanding (beliefs, opinion or *doxa*) of the practice of economics.

The Deleuzian concept of *difference* embraces chaos and complexity because 'difference finds its own concept in the posited contradiction: it is here that it becomes pure, intrinsic, essential, qualitative, synthetic and productive; here it no longer allows indifference to subsist' (Deleuze, 1994, p. 45). Consequently, Deleuze approached problems such as 'How to understand economics?' as something that does not have a single simple solution because a problem is something that defines a field of different drives or pressures as problematical because each solution merely transforms the problem and creates new challenges (Williams, 2003, p. 57). For Deleuze, a problem is determined because it cannot

¹ Deleuze, the author of *Difference and Repetition* (1994), was known as the 'Philosopher of Difference' because his writings produced encounters of forces that resonated by aligning the reader with new forces and trajectories.

² Unsymbolic means outside of language/words. For an explanation of unsymbolic differences see Alliez (2004, pp. 92-93).

be distinguished from a chaotic state. This is important because as Deleuze stated (as quoted by McMahon, 2005, p. 42) 'if philosophy is to have a positive and direct relations with things, it is only to the extent that it claims to grasp [an understanding of economics] ... , in its difference from all that is not it' and that the problem of difference is both 'methodological and ontological'.

Deleuze (1989, p. 280) offers a way forward by stating that 'the theory of [economics] ... does not bear on the [discipline] ..., but on the concepts of the [discipline] ...'. Economics in itself is 'a practice of images, [metaphors] and signs' (1989, p. 280) that are not limited to a concrete phenomenology of signs and images. Rather, because economic 'concepts are not given in the [discipline], ... philosophy must produce [a] theory [of economics] as conceptual practice'. Every concept has components and is defined by them, therefore it is a combination or a *multiplicity*, but Deleuze (1989) goes on to indicate that every multiplicity is not a concept.

This line of reasoning leads one to conclude that economics is a Deleuzian *multiplicity*. It can also be considered an event or a series of events and therefore a potential concept. Belabes argues that economics is a combination of many disciplines; yet to this point, it is unclear if economics can be considered a Deleuzian concept. Deleuze would have responded to the question by viewing the discipline from a neutral point (Archimedean point of reference) and systematically study the factors (symptoms) that influence and impact upon the discipline. A framework for understanding would be developed by approaching the problem as a medical doctor would when studying symptoms in order to develop a treatment for a disease. When a doctor examines a patient with a 'group of symptoms, his diagnostic task is to discover the corresponding concept' of the disease (Smith, 2005, p. 182). The process of symptomatology in medicine can similarly be applied to economics. If diagnosing a group of symptoms can be considered concept creation in a Deleuzian sense – then theorising the multiplicity of factors and activities that constitute economics might also be a Deleuzian concept because the 'symptomatology method' promotes '*lines of flight* inherent in every ... multiplicity' (Smith, 2005, pp. 190-191).

Belabes has written an excellent article that should become required reading for those interested in how economics interacts and is influenced by philosophy.

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Deleuze among the Economists: A Short Commentary on Abderrazak Belabes' 'What can Economists Learn from Deleuze?'

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In 'What Can Economists Learn from Deleuze?' Belabes makes the case for economists reading outside of their disciplinary orientation so as to broaden their intellectual horizons in ways that might be helpful in confronting key issues in both economic theory and economic practice, but also, as Belabes says at the very end of the article, in order to 'work together and meet the challenges of the 21st century in an increasingly interdependent world' (Belabes, p. 64). And further, that undertaking such a task will help economists think beyond and outside of their particular and entrenched schools of thinking allowing them to come together in recognition – presumably as a result of such outside reading/thinking – that 'no one school holds the truth' (ibid). In particular, Belabes argues here that economists should read Deleuze's philosophy in order to effect such a transformation. This injunction is, as Belabes states at the outset of the paper, because, Deleuze can help economists 'emancipate' themselves 'from economic concepts, the key words, and the resulting indicators, which constitute a smokescreen' that makes it difficult for economists to confront 'fundamental questions that face human societies in their daily lives' (p. 56). Belabes goes on to argue that part of what reading Deleuze specifically can do is help economists who are inclined against the dominance of neoclassical economic theory (and its methodological individualism) to begin to move beyond mere criticism of that view toward the construction of alternative conceptions and theories that, presumably, might offer competing positive accounts of how economies might be oriented so as to meet the challenges referred to above.

I can see the appeal of Deleuze here. Part of what Deleuze and his often co-author Felix Guattari offer (among other things), is precisely the kind of analysis Belabes is looking for: throughout their work together, they show the many ways in which our concepts, in their attempts at making sense of the world in particular ways, also confine our subjective awareness and orientation in ways that make it difficult to escape (Deleuze and Guattari, 1983; 1987). This is both true, according to Deleuze and Guattari, at the level of disciplinary orientations like that of economics – the concepts, ideas and importantly, practices of the academic and policy-orientation of economics are both constructed and confined by the ways in which those things function in a given time and place, and for wider existence – our conceptual awareness of ourselves and our world is the result of our entrance into, and reproduction of, pre-existing, historically situated concepts and practices through which we grasp the world. These concepts and practices, for Deleuze and Guattari, never fully capture the world in which we find ourselves, nor do they fully cover all possible modes of being even when they profess to do so (and Deleuzian/Guattarian philosophy can allow us to see that).

Importantly, for Deleuze and Guattari, such concepts and practices are (as noted above) social and historical – we are, and our awareness is, never solely individual. Rather, all of that is the result of an 'assemblage; of the particular ways in which the larger social structure comes to understand itself and its world through time, and in interaction with particular sets of phenomena that are conjoined in that moment – and so we as individuals are inserted into these structures and produced and conditioned by them all the way down to

the level of our affective life – our very desires are constructed and controlled by these particular ways of being and the practices, both conceptual and otherwise, in which they are captured and channelled by these larger social structures that pre-exist us as individuals (Deleuze and Guattari, 1983).

In relation to the discipline of economics then, like any other science according to Deleuze and Guattari, the economist's ways of making sense of the world, the solutions they propose to problems and issues (and the very seeing of those things as problems and issues to be commented on and solved) are the result of this socio-historico-conceptual and affective embeddedness (as are such ways of making sense of the world in any discipline – including standard academic philosophy). The importance of reading and thinking outside of a given discipline then, is to find ways of working one's concepts out of that embeddedness and into something new – this involves not just conceptual expansion, but also expansion at the level of the affects, desires and practice itself. This is also why, as Belabes points out Deleuze's own method is eclectic and he moves between areas such as philosophy, psychoanalysis, and cinema and film studies as he was constantly looking for new ways to understand his own world and affective life, but also looking for new ways to expand his conceptual toolbox for analyzing these (Deleuze and Guattari 1983, 1987; Deleuze, 1989). Belabes gets at some of this in the article but it would be good to see he and others work to further develop of these points, adding detail as to how this might work in the discipline of economics – what kinds of examples and specifics could be drawn from a Deleuzian approach to economics and economic thinking? What specific ways could such an approach help economists move beyond mere criticism of the neoclassical conception of economics and build new conceptions that might be produced in relation to the production of concepts in a Deleuzian mode of doing philosophy? How could such a movement help economists think the world in their discipline differently? Belabes hints at this in the last lines of the article when discussing the challenges we currently face globally both in relation to the Covid-19 pandemic and other pressing issues and what these might mean for economists.

Additionally, the section in the paper that discusses the idea that capitalism is a system that, above its unequal distribution of profit, is fundamentally a system that unevenly distributes power – is a good one and more could be said here in relation to Deleuze – for him, as mentioned above, the analysis of power in a Foucauldian sense gives way to analysis of how capitalism assembles our own subjective desires in particular ways. Some discussion of this difference might also help further the project launched by Belabes' article here. And this might also help the target audience – other economists – think the ways in which their own affective life is wrapped up in the subject that they think most about in the particular and prescribed ways of thinking about economics generated by the history of the discipline itself. Éric Alliez's great discussion of this difference (between Foucault and Deleuze) in his 2013 article where he describes the ways in which the assemblages of historically situated social practices and people (such as, for instance economic practices) come to be understood by Deleuze and Guattari as organizing not power, but subjective desire in particular ways. In all, Belabes' article is thought-provoking and offers a nice starting point for an encounter between Deleuze and contemporary economic theory and practice.

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