

14 Dilemmas

Bart Nootboom

Geschutsverf 89, 1018 AW Amsterdam

bart.nootboom@gmail.com

Contents

Introduction

1. Unity and diversity
2. Power and freedom
3. Self and other
4. Authenticity and conformism
5. Meritocracy and equality
6. Progressive and conservative
7. Democracy and authoritarianism
8. Rationality and emotions
9. Certainty and uncertainty
10. Stability and change
11. Serenity and excitement
12. Competition and collaboration
13. Prisoners' dilemma
14. Universal and particular

Conclusions

References

Introduction

Life is full of dilemmas. What to do with them? We may not be aware of them, we may try to ignore them, avoid them, or we may find them interesting, enlightening, and even useful. We may create them, in imposing a threat of punishment, telling a child to return a stolen toy or elseThink of Solomon's judgement in threatening to cut a contested baby in half, in order to find out who the real mother is, who prefers to surrender the baby to the surrogate mother. A dilemma is not just a comparison, it calls for a choice. Dealing with a dilemma is itself a dilemma. Is the dilemma productive, in generating a synthesis, or is it just a bothersome enigma? One can choose one of the opposites of the dilemma, alternate between them, depending on the circumstances, one can take a middle position, and in *dialectics* one combines thesis and antithesis in a *synthesis*. Old Chinese philosophy (in particular Taoism) opposes dichotomies, such as true versus untrue, between which you have to choose, and sees them as polarities, where you can choose a position in between. From one perspective you lean towards one side, from another perspective to the other side. To understand one side you need to know the other side. Not black or white but shades of grey. Perhaps one should accept that dilemmas cannot always be resolved, and are to be accepted as an inevitable part of life, indeed as a challenge that constitutes the gist of life, precisely in trying but often failing to resolve them.

There are, for example, dilemmas of education (Norwich, 2008), politics (Berlin, 1990; Lefort, 2007), democracy (Dahl, 1982; Schmitter, 1994; Kurtz., 2004), economic development (Toye, 1993; Miller and Tan, 1997; Ho et.al., 2005), management, law (Alexander and Sherwin, 2001), science, markets, and more. In this book I discuss fourteen dilemmas that people are more or less familiar with but that may merit clarification, for an understanding of life, and I see what their similarities, connections and possible reconciliations may be. The reader may think of even more dilemmas.

I present the dilemmas in the form of a dialogue between the opposites, discuss different choices and present my choice. I end the treatment of most dilemmas with questions for discussion. Questions that can be asked of all dilemmas are: Do you agree with the arguments for the two sides of the dilemma, do you have arguments of your own, what is your position in choosing between the two sides or combining them? At the end of the book, I ask if the reader can think of other important dilemmas.

To compare opposites in a series of dilemmas, this book is necessarily an interdisciplinary exercise, and in that one must on the one hand employ the insights of the different disciplines with sufficient depth, while on the other hand avoiding too detailed scholarly, disciplinary details that would frighten off the non-specialist; another dilemma. I let myself be informed by the disciplines of philosophy, economics, sociology, social psychology, cognitive science, linguistics, physics and political science.

Some dilemmas shade into each other. The dilemmas are collected in one volume because they are connected, complementary, and partly overlap. The first dilemma is between unity and diversity, related to those of monism and pluralism (Dahl, 1984). A second is that of power and freedom, which includes the dilemma of protecting democracy and freedom of speech. A third is that of self and other, solidarity and diversity (Goodhart, 2004). A fourth is that of authenticity and conformism, a fifth is that of meritocracy and equality of opportunity, related to the dilemma of exclusion and inclusion. A sixth is that of progressiveness and conservatism, a seventh of democracy and authoritarianism (Dahl, 1984; Goodhart, 2004). An eighth is that between rationality and emotions, a ninth between certainty and uncertainty, a tenth between stability and change, an eleventh between excitement and serenity. A twelfth is

that between competition and collaboration, related to a dilemma of market and central direction (Mueller and Tan 1997). A fourteenth is the prisoner's dilemma. The most fundamental dilemma, I think, is that between the universal, applying always and everywhere, and the unique, individual particular. It comes up in other dilemmas. Closely related to this dilemma is the dilemma of theory, which needs to generalise, and practice, which needs to attend to particulars. Can we bridge the horns of the dilemmas? Let us see.

1. Unity and diversity

Unity is appealing for its simplicity and wholeness. In education some unity is convenient for grading and comparison between pupils, but those differ in interest and talents, and may give answers that do not satisfy the standard but give surprising perspectives. Unity is needed in equality under the law and institutions, customs, morality and language, to prevent exclusion and injustice. Institutions are defined as rules that enable and constrain individual conduct. An example of such enabling constraints is path through a swamp. It constraints your step to the path, or else you will wind up in the swamp, but is enabling in that it does get you across the swamp. Measures against Covid entail constraint in movement and contact, to avoid an overextension of health care, and work only if different people conform. In fact, people differ in their opinions to what extent the measures are indeed needed, effective, and morally justified.

A nationalist craves unity of culture. The term *culture* has five meanings. First, it is something man-made, in contrast with nature. Second, it has the anthropological meaning of customs and habits, of religious belief, political conviction, art, dress, food, sports, dance etc. Third, it has the meaning of heritage, of architecture, art, folklore, myths, legal system, infrastructure, science, political system, constituting *civilisation*. The nationalist wants to impose a shared, homogeneous culture, but at the same time wants to distinguish, even separate, it from that of other nations.

In protests, festivals and sports events, mobs can be lured into a unity, glued by shared emotions. A cause of that is that on the lower levels, the base of *Maslow's pyramid* of needs, emotions are mostly equal. They are physiological needs of air, food, fight, and sex, in which people are similar. On the next level up in the pyramid there are needs of safety, shelter and defense, next needs of social recognition and respect, and then, at the top of the pyramid, much more individualised intellectual and spiritual needs of self-realisation. The lower needs are the most deeply embedded, resulting from early needs of survival, in human evolution, and those are more equal between people than the higher needs, which are accompanied by differences in personality. With the more common and deeper emotions on the lower levels, the mob can explode in collective frenzy, ferocity and violence.

Variety can be constrained, crystallised in discord between groups, see the polarisation under president Trump, even while he is no longer president, and in the emerging discord concerning the need and legitimacy of freedom-restricting measures against Covid-19.

While there are arguments for unity, the proponent of diversity argues that diversity is needed for freedom, and to prevent exclusion, on the basis of democracy. Dahl (1984) discussed *polyarchy*, rule by the many, in opposition to monarchy or oligarchy, and plurality as opposed to monism. I will return to this in a later discussion of dilemmas of democracy.

Another argument for diversity is that it is needed for renewal. Evolution is based, among other things, on the generation of variety. The other two principles of evolution are *selection by a selection environment*, in *survival of the fittest*, and *transmission* of characteristics of the survivors to the next generation. In biology, generation of variety takes the form of the random mutation or copying errors of genes, and the cross-over of chromosomes, in sexual

reproduction. In the economy, diversity is needed for rivalry and for variety in the 'novel combinations' of innovation, as Schumpeter phrased it. That yields experiments in different directions, improving the chance that something viable will come up. Unity can yield uniformity in a system, and that is likely to succumb to a shift of environment, such as climate change. With variety, it is more likely that part of the system fits the new conditions. In language, one needs unity for the sake of mutual understanding, but one wants room for individual expression.

There is a variety of personality traits. Psychologists largely concur in using the 'Big Five' personality traits, although with different shades of meaning (Digman, 1990: 421-7):

Extraversion: action-oriented, daring, exploratory, risk-taking, entrepreneurial, *thymos*

Neuroticism: feeling vulnerable, suspicious, depressive, pessimistic.

Conscientiousness: will to achieve, dependability, task interest, conformity, superego strength, prudence, work, constraint and self-control.

Agreeability: friendliness, conformity, compliance, likeability, love, sociability, socialisation, resonance, the opposite of paranoia, hostility, indifference, self-centeredness, spitefulness and jealousy.

Openness: inquiring intellect, intelligence, culture, independency. Among scholars, variation and ambiguity of interpretation are greatest concerning this category of openness/intelligence (Digman, 1990: 433).

The notion of 'thymos' goes back to ancient Greece. It is the drive of the human being to manifest itself in action. Plato gave a metaphor of reason as a charioteer holding in check two wild horses of desire and thymos, not in order to stop them, but to keep them from bolting and to direct them. Thymos drives entrepreneurship, discovery, science and politics.

The big five personality traits have been used, for example, in studies of how people experience Covid-19 and act in response to it and the rules imposed against it. (Blagov, 2020; Hengartner et al., 2016). For example, when lacking conscientiousness and agreeability, extraversion may attend only to personal freedom, violating the regulations imposed against Covid.

Nettle (2006) asked the question how there can be such variety of personality. Would selection in evolution not have selected out the trait with greatest adaptive value? His answer was that the traits have costs and benefits, depending on the environment, such as climate, geography of the habitat, geology, scarcity, and those have varied much in evolution, favouring now this trait, then that. Neuroticism, for example, seems deleterious, but can be adaptive in a dangerous, threatening environment, to avoid threat, to hide and take precautions. Nettle gave several examples in animal life. One was that of a certain kind of bird, which in dry climates needed a strong beak of a certain shape, to crack hard nuts, while in a rainy climate, the nuts were softer, and such a beak would not be adaptive. More widely, when there is abundance of food, there are more competitors, according to Nettle, and strength and aggression pay, but when food is scarce there are fewer competitors, and strength is wasted, and aggression yields an unnecessary risk.

People never have identical ideas. Ideas always carry personal associations, accumulated along a path of life. One *assimilates* one's ideas in present frames of mind, and when that does not fit, one *accommodates* that frame. I will later tell how that process works. This yields development of mind frames along a path of life yields *cognitive distance* between people (Nooteboom, 2000).

It is clear that we need some combination of unity and diversity, on the ground that arguments on both sides of the dilemma apply. Laws and regulations must be general, but there needs to be the possibility of deviations in the case of special circumstances such as calamities and

innovation. For language, a combination of unity and diversity is needed, in intersubjective understanding and personal associations.

Organisations need to limit internal variety of ideas, cognitive distance, to some extent, in *organisational focus* (Nooteboom 2009), to orient knowledge and competence needed to achieve a shared purpose, to attract fitting employees, and to offer ways of getting along and resolving conflicts. This is done on the basis of organisational culture, with shared ethics, symbols, role models, procedures and rituals. This limitation of variety for the sake of unity is needed to avoid ongoing negotiation and misunderstandings that obstruct the realisation of purpose. How far this goes, in the reduction of cognitive distance, depends on the purpose of the organisation. Firms oriented at efficiency need a comparatively narrow focus, and firm oriented at exploration and innovation need a comparatively wide one, to allow for the diversity needed for innovation. Diversity can be a problem, but also an opportunity. However, one can compensate for the myopia of a narrow internal focus by collaborating with outside others with a different focus. One can then seek partners at sufficient cognitive distance to provide novelty but not so large as to prevent mutual understanding.

In closed networks of people, with each person connected to most others, there is a tight reputation system that creates trust, but which restricts the scope of new opportunities in connections outside the network.

According to the *wisdom of the crowds* (Surowiecki, 2004), one can benefit from variety, of expectations, estimates, ideas, as shown in a crowd estimating the weight of some cow on a fair, yielding a more accurate joint estimate than that of a couple of specialists. A condition is that the members of the crowd give their contribution independently. Meetings can have perverse effects, of sliding into *group think* (Solomon, 2006), when someone with authority or charisma drags others along in his/her opinion, or when there is pressure towards consensus. In *information cascades* people can successively 'contaminate' others to follow their lead, as in beauty contests, elections, valuation of stocks, and conspiracy theories. In all these cases, variety collapses in perverse unity. A puzzle in utilising diversity of inputs is how to select for relevance. An input may be too far off, but a divergent input can be the most interesting. An answer to this puzzle is to select according to subject, not content.

How diverse can rules and regulations be, in tailoring them to personal taste, needs or conditions? There is a tendency to erect Christmas trees of regulation on the occasion of newly discovered inequities, often with the result of regulations that are too complicated and expensive to apply. Up to what point are claims of special needs to be honoured? Take the compensations for loss of economic revenue due to measures against Covid -19. Choices were made but then some businesses were left out of the boat.

There has been an accumulation of controls to close all possible loopholes for improper practice, which now stifles the performance of many public services, such as health care, schooling, building, transport, care for the elderly, energy provision, etc. At the same time, this control is disabled by the loss of competence for it that arose in hiving of public services in privatisation and decentralisation. The complexity of control has increased, while the competence for it has declined.

The explosion of control is fuelled by an inability to resist ever more differentiated claims, special pleading, in ever less universality of regulations crowded into uniform procedures, and distrust, suspicion of fraud. An issue that arose recently in the Netherlands, was that someone on welfare received gifts of shopping for foods from her mother and now has to repay it, as a penalty. There is little room for empathy for deviations from procedures, which are often due to mistakes or errors of understanding or interpretation of rules by citizens, who are then immediately seen as culprits. Civil servants executing the regulations should be given more room for exercising, an eye for mistakes and hardship, allowing for some deviation from the rule. However, that requires more information on living conditions, invading privacy, is

expensive, and yields inequality, and room for nepotism and corruption. Therefore, this discretion should now and then be submitted to some peer review.

For mathematical adepts, I offer the notion of *Entropy*, which yields a conceptual instrument to look at unity and diversity, order and chaos. It derives from a law of thermodynamics that a system not fed by its environment decays, in loss of order and distinction from its environment, its identity. A pot of boiling water cools down when taken from the fire. Its temperature gets equal to that of its environment. Organisms need to interact with their environment, taking in nourishment and excreting waste, in order to keep their distinctive structure and functioning, and live. Life is a struggle against increasing disorder, entropy, striving for its opposite, *negentropy*.

The mathematical formula for entropy E of a system of n elements i of incidence,

probability or 'weight' p_i is $E = -\sum p_i \log p_i$. E is a measure of a lack of organisation, in the sense of many elements having little distinction, the same weight. For a system of two units of equal $p_i = 1/2$, $E = 1$, called a *bit*. For a system of four elements of equal $p_i = 1/4$, $E = 2$ or two bits. For a system with eight elements of equal p_i , $E = 3$ or three bits. For a system with n states of equal p_i , $E = \log n$. A computational advantage of the log function is that $\log 1/n = -\log n$. E increases with the number of elements n and their 'evenness', i.e. equality of p_i . The effect of the number of elements is illustrated above, with E increasing as n goes from two to eight. The decrease of E with the 'unevenness' of p_i is as follows: For the case with three elements, with equal $p_i = 1/3$, $E = 1.58$, and with $p_1 = 2/4$, $p_2 = 1/4$, $p_3 = 1/4$, $E = 1.5$.

Questions

- Do you lean towards unity or diversity
- Do you see ways to combine them that are not discussed above
- Have you witnessed group think
- Which personality traits of the Big Five do you have
- What other personality traits do you see

2. Power and freedom

There is positive and negative freedom (Berlin 1969). In negative freedom, there are no outside constraints on action, from an authority, hierarchy or contract, so that one can 'go one's own way'. Positive freedom goes further than absence of constraints, in giving means, access to resources. Without the positive freedom of property and ability, negative freedom is ineffectual. What is the use of room for action if one does not have access to the resources needed to utilise that room? Fruitful relations give both negative and positive freedom, and democracy aims to give both, in schooling, fair competition with equal access to resources and markets, and social security. Trust gives negative freedom to the other, the trustee, the one trusted. The room for action for the trustee creates risk for you, the trustor, and that requires the virtue of courage. Without risk no relations.

Take the measures taken to fight Covid-19, such as a lock-down, which constitute a massive restriction of negative freedom, to maintain the positive freedom of access to health care. The lock-down blocks the social contacts that people long for, and which are needed for the development of one's identity, especially for the young, shrinks the scope for interactive learning by home schooling, resulting from the closure of schools, threaten the existence of many enterprises and their jobs, shrivel access to culture, in closure of museums, theatres, and concerts, and increase inequality because the lower paid and lower educated are the most

vulnerable. This triggers a debate on whether extending the life of the old and vulnerable who have little perspective of survival is worth such a loss of freedom.

Ontology is the philosophy of the 'furniture of the world', of what existence in the world means, properties that things have. One would like an ontology that covers the whole of our perceived world, but like all philosophy ontologies are ways for us to understand what we perceive, and there may be several ones. A main one is that things have three basic features: boundary, internal organisation, what is 'in' things, and external relations, what things are 'in'. There is a hierarchy of things, containing other things as elements, as in a body or community. The hierarchy is nested, with subsystems that have elements. A body has organs, a community has people, a stone has molecules, composed of atoms. Together, the subsystems achieve properties of the whole that the elements don't have, yielding positive freedom. The internal coordination or organisation entails more or less loss of negative freedom of the subsystems. They have boundaries within which they need to remain for the system as a whole to function. This is called 'homeostasis'. In a body, organs feed each other blood with a certain minimal amount of oxygen, or food, hormones, or electrical impulses. Those are part of the exchange of the body with its environment, ingesting fresh air and food and shedding waste. Loss of the negative freedom, in homeostasis, yields positive freedom of access to new resources.

Another ontology is that of nodes in networks. The node receives and yields resources, directly or indirectly, from and to other nodes in the network. This ontology elaborates the external relations with other things in the world, but loosens the boundaries of things. A third ontology is that of force, in changing internal and external organisation and, in the realisation or renewal of potential. An example is Nietzsche's view of 'will to power'. This may be seen as a dynamic view of internal and external organisation. I think that the three ontologies can be combined.

Related to positive and negative freedom, there is positive and negative power. I adopt the definition of power as the ability to affect choices of others. That can occur in two ways. In negative power one limits choice by limiting the scope for choice, the room of options one can choose from, or imposing choices of options in that space. Trust yields negative freedom to the trustee, expanding the room of options and leaving the choice of an option open. Extending the room for action of the trustee opens up the risk of negative power of the trustee using that room to constrain the trustor (Nooteboom 2002). The risk may require some control, if possible without destroying the benefit of the negative freedom for the partner. Trust serves to yield also positive freedom, in creating new reciprocal benefit, in give and take, kindling positive power.

Machiavelli professed the need for the ruler ('the prince'), to exercise negative power in the interest of the state. He admits that this does not apply to the population, since that would disable society. Negative power is still called for in fighting undemocratic schemes that subvert democracy, and power play in international politics, in opposition to authoritarian outside threats. A dilemma arises when in the battle against international terrorism alliances are made with undemocratic regimes, such as the one currently in Egypt and Turkey, intended to close opportunities for terrorism.

In the dilemma of power and freedom, one can aim for a combination of positive power and positive freedom. I have written on trust (Nooteboom, 2002), and there I make a distinction between reliability and trust. In reliance one expects the counterpart to honour agreements, in letter and spirit, for whatever reason, in control and trust that goes beyond control. Control is negative power, reducing choice, limiting room for action for the counterpart, increases his reliability, while destroying his trust. In control one presses the partner to conform to an agreement, by narrowing the space for alternatives, or creating incentives to conform. This

can be done by enforcing a legal contract, or by authority, or the pressure of reputation. Trust, by contrast, gives the expectation that the partner will conform with no or limited control, even if he/she has the opportunity and the incentive to cheat. Trust is enhanced by positive power, increasing the room for action. Trust can be based on a shared morality of generalised trust, as part of culture, and/or on personal bonding in love, friendship, community, (extended) family, tribes and clans.

Trust is a complex notion One can have trust in an individual, an organisation, or a system. For example, concerning banking, individual bankers, the bank, the system of financial markets, and government regulation. In order to trust, one must trust on all levels, individual, organisation and broader system. One can have *competence trust* in someone's ability to honour the agreement, or *intentional trust* in the intention to do so to the best of his/her competence. Trust and control are both complements and substitutes. Complements because on the one hand control cannot be complete, covering all possible contingencies, and on the other hand trust should not be blind. They are also substitutes because more trust allows for less control.

Trust based on personal bonding, in friendship, family, tribe or clan has the advantage of high trust, but the disadvantage of locking oneself up, foregoing opportunities of fresh inspiration and collaboration, with outsiders. Economically, it limits the variety needed for innovation.

Market economies are supposed to offer both positive and negative freedom. Positive freedom in products for consumption and access to resources needed to produce new products and services, negative freedom in restrictions to free enterprise, in the absence of entry barriers.

There is a great misunderstanding or misinterpretation, promulgated by many economists, that Adam Smith pleaded exclusively for action based on self-interest. In fact he also pleaded for the exercise of sympathy, generalised from personal feelings concerning specific others to general benevolence, and pleaded for striving for the greatest benefit of the greatest number of people. Sympathy and benevolence, requiring commitment, effort and sacrifice, entail a curtailment of negative freedom of oneself, and offer positive freedom and reciprocity to the other. It relates to the virtues of moderation and justice. Later economists have ignored or neglected this.

In the economic system, concentration of firms can yield a reduction of positive freedom, in monopoly or oligopoly, reducing the variety of supply, and reducing negative freedom, in lock-outs, erecting entry barriers to potential competitors. Competition is paraded as one of the virtues of a market economy, because it enforces efficiency and renewal in order to survive, but in practice firms have an interest in limiting competition. Government needs to institute competition laws and authorities to preserve competition. There is also reduction of freedom by locking-in customers, obstructing the switch to another provider of, for example, services of communication and social media, such as telephone, apps and data. Data on choice behaviour and expression on social media are currently appropriated by the platform companies Facebook etc. The EU is currently developing legislation to limit this.

The ban on limiting competition also has adverse effects, however, in blocking agreements between partners in mutual concessions of loyalty, commitment, sticking to each other in collaboration for the development of novelty, in combining complementary resources, skills and knowledge, requiring investments that are 'specific' to that relationship, i.e. lost when the relationship breaks. This loyalty temporarily excludes other parties, which does constitute a limitation of competition, but the blocking of collaboration hinders certain forms of innovation. This is a dilemma of competition policy. The constraint on enduring, exclusive collaboration can be circumvented by taking over the partner or merging with him, internalising the collaboration, while such mergers and acquisitions are often less desirable

than staying apart in alliances, because they yield concentration of market power and too little cognitive distance.

Sometimes the targets of criticism of free markets claim that the criticism is an attack on their freedom. On the contrary, criticism is not an attack of freedom but its exercise. Democracy needs opposition and thereby thrives on criticism. Inability to tolerate, indeed welcome criticism, leads some people to isolate themselves from it, in some harness or bunker of identity that shuts out opposition.

How about freedom of the will? Much of what we decide and choose has been shown to be subconscious, based on automatic, unreflective routines (Kahneman and Tversky, 1979; Kahneman et al., 1982; Tversky and Kahneman, 1983). It is only after the decision is subconsciously made that we become aware of it. We mostly act impulsively or habitually rather than reflectively and rationally. Cognition is enabled but constrained by forms of thought as *enabling constraints* by which we perceive and interpret the world, and which we have adopted in education and teaching and have further developed in life. Feelings are kindled and channelled by experience in life. We are constrained by our past.

Is there freedom of the will? That depends on what one means. There is no freedom in the sense that decisions are determined by mental processes, and could not have been otherwise. If one means that conscious thought has no effect on decisions, one is wrong. Before decisions are unconsciously made, the mental process is fed with rational reflection. For example, when one buys a house, one rationally reflects on things such as the state of the roof, refuse collection, parking space, ducts for water and energy, the proximity of public transport, the conduct of neighbours, etc. But one does not then sit down to add weights and pluses or minuses and decide on the balance. One sleeps on it and makes a decision 'intuitively', i.e. subconsciously, but the prior rational reflection does matter. Apparently, the mental process is affected by it. And then, in executing a decision, rational reflection kicks in again. Subconscious routines are rational in the sense that one can surrender to them and spend rational reflection on more important and less routine matters. One drives a car on the basis of routine, enabling one to have a conversation. But one must be aware of routines, 'waking up' from them when they fail. I drive a car intuitively, without thinking about it, but when an accident is about to happen, I am catapulted into conscious reflection of remedies.

Nevertheless, subconscious routines limit the freedom of rational choice, which has evoked the practice of *nudging* such unreflective routines paternalistically, in the interest of those who decide, or in the presumed public interest. (Sunstein and Thaler, 2003). An example is the ruling that donation of organs after death is taken for granted unless one signs a written refusal in advance, rather than the other way around, giving written acceptance of it. This utilises the lack of attention to the issue, as a result of laziness or lack of interest. It can be in the public interest, but it constitutes manipulation, lack of freedom. Formally, there is freedom in the possibility of sidestepping the nudge, but it remains manipulation.

Negative freedom, space for action, is limited by control. Often, that is not an outcome of dialogue, but imposed one-sidedly, according to standardised measures and labels that allow for classification and measurement. This occurs, for example, in health care, especially psychiatry, where disorders are labelled and imposed on professionals, to control the legitimacy of practice and its remuneration. The problem with the labels is not only that standardisation constrains custom-made, personalised treatment, but also that they are static, not geared to the fact that disorders are dynamic.

In many areas there is a dilemma between on the one hand strict control, based on measurement, with 'evidence-based' policies, and, on the other hand 'phronesis', proposed by Aristotle, in made-to-measure control and judgement, considering the merits and demerits of each individual case. As indicated earlier for the judgement of scholars and civil servants,

however, leeway for phronesis may lead to the exercise of prejudice, arbitrariness or even corruption, but this may be controlled to some extent, and occasionally, by justification in dialogue with panels who are themselves competent in phronesis.

There is a branch of organisation theory that studies '*communities of practice*' (Brown and Duguid, 1996, Burgelman, 1983). The claim is that in a wide range of professional practice, such as maintenance of installations and machines, not everything can be standardised and caught in protocols, because reality is too rich, i.e. complex and changing, with unforeseeable contingencies, which a protocol cannot cover. A novice needs to engage for a while in *peripheral participation*, coached by an experienced member of a team, to develop a 'feel' for this richness of practice, before he can become a full, legitimate member. This is ignored or neglected in much professional practice, as in teaching and health care. Apart from the quality of the practice, and the intrinsic value of it, when professionals are caught in protocols, they do not learn, or forget, how to take responsibility for interpreting and judging a particular situation. They may develop into automatons, ignoring the deviation, the particularity, of an individual case.

Questions

- Have you experienced cases of positive power
- What do you value more, negative or positive freedom
- In view of the importance of unreflective mental routines, is there free will
- Do you approve of nudging
- What is your position on regulations to fight Covid-19

3. Self and other

Perhaps the greatest dilemma in life is that between the ideas, perspectives and interests of the self and those of others. In ethics there are, in the West, three streams: utilitarianism, which looks at outcomes of actions, aiming for the greatest utility for the greatest number of people, deontology or duty ethics that judges actions by what is right, regardless of outcomes, and virtue ethics that does a bit of both, oriented at the 'good life', at becoming the person one wants to be, with the right character traits, not ignoring utility but also aiming for moderation and consideration of the other.

An argument for self-interest is that it is in the nature of the human being to strive for its survival. This was professed, for example, by Spinoza, with his notion of *conatus*, the drive to survival, by Nietzsche with his notion of *will to power*, and Plato with the notion of thymos, mentioned before. Nietzsche denied that the drive for survival determines all, and claimed that people regularly engage in activities that jeopardise their survival. Thymos is the source of discovery, entrepreneurship, science, art and theatre that I would not like to shed.

Two prominent authors oriented at the other person are Emmanuel Levinas (1982, 1991, 1995) and Martin Buber (2004). They both argued that the other and the relation with him/her supersede the ego. They made a fundamental departure from the old view, going back to Descartes, that the ego, the subject, has a pre-established identity, looking at the world, the object, from the outside. Levinas and Buber, among others, objected that this objectifies the other, and turns him/her into an instrument. It thereby foregoes, withers, the intrinsic, idiosyncratic value of the other. Self and other are different and cannot merge, and the other should be accepted and valued as such. For Levinas, by the epiphany of his/her 'visage', the other is high, and had to be cared for and obeyed unconditionally, in an asymmetric relationship. The face of the other issues a call, affecting us prior to our action, and triggering

the imperative to care, surrendering oneself to the other. It is not like opening the door to an existing house, but letting the other participate in building the house. This admittance of the other is unconditional. Levinas says literally that one should even accept one's henchman.

For Buber, on the other hand, the relation had to be balanced, in dialogue. The relation, the 'between'. (Buber) is prior to identity. In the I-It relation the other is treated as an object, instrumentally, but in the I-Thou relationship one is oriented at the intrinsic value of the other, letting oneself be influenced. The I-It relation has its value, and is inevitable, but lacks depth of humanity, although it may be needed to carry the I-Thou relation.

Inspired by Buber, Rosa (2019) pleaded for *resonance* affecting the other and being affected by him/her, like a tuning fork sending and picking up vibrations. I add that although it can be spontaneous, mostly resonance requires effort and dedication. One needs to immerse oneself in the other, grow understanding and empathy. One needs to immerse for resonance to emerge. One may have to coach the other away from closure out of fear or mistrust, try to access his/her sources of opinion and creativity, and accept such endeavours of the other on oneself.

According to Rosa, we can resonate not only with other individuals, 'horizontally', but also 'vertically', with higher level entities, such as institutions or communities, with God if one is religious, and 'diagonally', with objects. How can the latter be? According to Rosa, in resonance with things, they 'speak' to us or 'call' us. Of course, he does not mean this literally, but what, then, does it mean? The thing can also, like a person, elicit unexpected thoughts, memories, associations, emotions, feelings and actions from its hidden potential. But how can I affect that thing? I can cherish and adorn it. I can affect its elicitation in me, by playing the piece of music or looking at the painting. I can affect the object's potential to affect me, but cannot fully control or predict what it does. An object can give ongoing surprise, and this makes it interesting and enticing. Comparably to love, friendship or trust, what the thing means to me does not wear out. Like those, it deepens in its use. Rosa (2020) gives the example of a pianist who does not get bored by the piece he plays. Every time he plays, it affects him differently, but to achieve that he has to play it. In French, playing a piece is 'interpretation', which varies not only with the person playing, but also with his/her performance. I can resonate with my writing. Formerly, before computers, writing in fluent longhand felt like playing a violin. Now, I experience hammering at a keyboard as playing a drum. Once, I whitewashed a wall and enjoyed the swish. Playing tennis, I enjoyed the 'plock' of a good hit. Can I resonate with my hammer? Formerly, craftsmen decorated their implements, and warriors their swords. Chain gangs sing. Soldiers on the march do. Perhaps craftsmen still cherish their tools, but decoration as a connection of craft with art has largely disappeared, though sometimes it appears in design.

For Buber's I-Thou relationship and Rosa's resonance one must resist the impulse to control the other. Rosa (2020) argued that modern Man tries to control everything, which is only partly possible, and hampers the resonance that we really cherish. He argued that after the demise of the expectation of an afterlife, to fill our finite lives we want ever more than we have, which requires ever increasing efficiency, with the use of technology and the drive of capitalism, causing *acceleration*, going faster in everything (Rosa, 2016), and this hampers the attentive give and take of 'resonance'. This is 'bad faith', doing something we do not really want. Resonance carries uncertainty: you cannot fully control the other person, and you cannot predict every action that may arise in his or her conduct, or indeed your own. We should seek resonance of people with each other and with the natural environment. In the recent past, in the US there has been no resonance between democrats and republicans. Across the world, people avoid resonance by locking themselves into 'filter bubbles' or 'echo chambers'. Ecological disaster is looming from lack of resonance between people and nature.

Resonance is part of the *intrinsic* value of a relationship, value in itself, beyond any *extrinsic*, instrumental value. Kant already said: never value another only as an instrument, but always also as a goal.

Trust, for example, has instrumental value, in aiding collaboration, but also has intrinsic value. The UK entered the EU for its economic value, at a time that the British economy was not doing so well, in comparison with the continental countries, but in its 'splendid isolation', chauvinism and traditional antagonism with especially France, it never saw much intrinsic value in the EU, and that resentment won out and developed into Brexit.

As Rosa argues, excessive control may be counterproductive, but on the other hand, if dilemmas, for example, are part of life, the urge to control them also is. From its beginnings, the human being tried to manipulate its environment, making flintstones and implements of wood and bone, and mastering fire, to give warmth and improve digestion of foods by roasting or cooking. Such endeavour and inventiveness are part of humanity. Husbandry of animals is a form of control, but the herdsman can still resonate with his cattle.

According to Rosa, the absence of resonance yields *muteness*, no call or response, comparable to Buber's I-It relationship. Rosa (2020:25) referred to a poem by Friedrich Schiller, in 1788, entitled *The Greek Gods*, as an example of an uncontrollable world, reigned by the gods, in contrast with our present world that is over-controlled and mute as a result. But those gods were full of thymos, inflicting control on humans and each other. The human being had no effect on the gods. Ulysses could not control the storms and vortexes inflicted by Poseidon, the vindictive god of the sea.

The benefit of control depends on how far it goes. Rosa (2020: 17) identified four stages of control: making visible, making reachable, making manageable, and making useful. Excess control can mute resonance, but resonance also requires the first two stages of control, of visibility and accessibility, to achieve affect and being affected. It goes too far in the stage of making manageable, which is one-sided, and making useful, giving instrumental value, and threatening intrinsic value of a relation. Rosa (2020:44) granted that resonance requires 'semi controllability'

As I discuss elsewhere (Nooteboom 2002), part of the art of trust is moderating the urge to control, exercising the virtue of patience. One can to some extent control the conduct of others, but only partly and not always. Trust entails the acceptance of relational risk, in giving room for conduct, relinquishing control. As a result, trust is to some extent a 'leap of faith' (Moellering 2009).

Lindenberg (2003) employed the notion of *relational signalling*. In relations, he distinguishes two basic mind frames: one of protection, 'defending one's resources', and one of 'solidarity', in which one is prepared to grant resources and one is capable of 'voice', listening to reasons or causes, responding constructively, giving the benefit of the doubt in case of some mishap. Voice demands the frame of solidarity on both sides of the relationship, but that frame is often less robust than the frame of suspicion and defence, and can easily switch over to it. The human being by nature has an inclination to both. In evolution, defending one's resources is obviously adaptive for the individual, but solidarity is adaptive for the group. One may have an inclination to one or the other, on the basis of experience, and it depends on the situation, especially signals that others send in what they do or say, including body language or what Pierre Bourdieu called *habitus*. You should respond to e-mails even if not strictly necessary, lest the counterpart starts wondering if you are interested at all. You may infer frames people are in from how they treat a waiter when you have dinner together, prior to a negotiation.

Questions

- Whose ideas do you prefer, those of Levinas or those of Buber
- Do you often experience resonance, Buber's I-Thou relations
- Is resonance real or illusory
- Are you aware that you are continually sending off relational signals
- Does trust have intrinsic value

4. Authenticity and conformity

Closely associated with the dilemma of unity and diversity is the dilemma of authenticity and conformity. The proponent of conformity argues that without it society could not work. On the other hand, people crave for authenticity. How to strike a balance between the two? As before, in the dilemma of unity and diversity, we need a combination. Authenticity is not the same as autonomy. Authenticity is 'being true to oneself', autonomy is being independent, which few people can be, since the self is constituted in interaction with one's environment. How free can one be in this? How far should one go in conformity, and how far should one go in striving for authenticity, holding on to one's conviction?

I have had this debate on several occasions, with people in leading positions, governing an employers' association, a bank, and a research association, who agreed with my objections but went ahead in neglecting them and toeing the official line. Their argument was that they did object, to the point of having to stop, not to fall overboard and lose all influence. This makes sense, though one can ask what the use of influence is if it requires submission. But yes: When joining an organisation there must be commitment to the organisational focus. The answer to the predicament is that it depends on how fundamental the disagreement is, and when it is fundamental one can still toe the official line and yet announce one's disagreement publicly, for a wider public, which in a democracy benefits from participation in the debate. One may retort that this also makes one's position untenable, but to me that is just cowardice. I grant, however, that this is easy for me to say, in my position as a free floating academic. And how to distinguish a bona fide whistle blower from a cantankerous narcissist clamouring for attention? That can be done on the basis of his arguments, submitted to a judicious forum. A ploy that is often used is to continue with what someone disagrees with, but distract from it with some more or less symbolic, token concession, such as a hospital or a soccer stadium next to a polluting oil field.

In his studies of prisons, clinics, lunatic asylums and scientific communities, Michel Foucault found that the institutions discipline inmates, members or participants, to adopt, assimilate ideology, imposing an order of conduct, to the point that those involved submit tacitly and voluntarily to the imposed order, even if they are victims of the system. Earlier, I discussed the notion of 'organisational focus', needed for people to achieve some joint purpose. This conformity to institutions is inevitable, pervasive, ubiquitous, also in schools, work places, parliament, families, even language, because a person develops its identity in interaction with others. The perspective for authenticity then seems scant. Foucault himself, in his latest work, could see no way out, and got no further than exhorting people to create their lives as 'works of art'. What does that mean? How to do that?

Since Foucault conducted his studies, many institutions have become more humane, in some countries, with new forms of management allowing workers to enjoy the intrinsic value of work more, realising their potential. Furthermore, apart from prisoners or patients in asylums, many people subject themselves to not just one but a variety of institutions and activities, such as jobs, professions, family, friends, church, sports, among which they can 'divide and rule', so to speak, compensating restrictions in one with more freedom in another.

Being 'true to oneself' implies that there is a given self, but the self is work in progress.

Kierkegaard saw three different levels of life: first, hedonism, which he called 'aesthetics', second 'ethics' as morality, the rules and habits enshrined in society that one is expected to participate in, and third, beyond that, 'religion', where one takes personal responsibility, against the established rules if necessary. For Kierkegaard, at any moment one has the freedom to make a commitment in the ongoing process of life in which one discovers oneself and builds one's identity. This is done in interaction with others, and thus is inherently social. As Taylor said, the human being is inherently dialogical (Taylor 1989, Weir 2009).

This existential perspective of being not as a thing but as a process of development was later also adopted by Heidegger (1993) with his notion of 'Dasein', where the subject is not pre-established outside the world but participating and developing in it, and Sartre, with his injunction to grasp the freedom of choice, in 'good faith', avoiding the 'bad faith' of just being dragged along, but he was pessimistic of achieving this good faith. This notion of life as a process is similar to the notion of 'eudaimonia', the good life, in Aristotelian virtue ethics, which requires *phronesis* or 'practical wisdom', making judgements as a function of circumstances, configuring and refining virtues, in the discovery and development of oneself.

For Kierkegaard, this requires the transcendence of religion, the unconditional surrender to and guidance by God. Levinas (1993) rejected that, in view of the Nazi atrocities that the Nazi's had inflicted on his family, and considered belief in God and a hereafter as a *redemption egotism*. Instead, he proposed, demanded, an unconditional surrender and commitment to the other human being, to the appeal from his 'visage' as 'the face of God', thus remaining religiously inspired. This is a replacement of vertical transcendence, to God, by horizontal transcendence, to the other human being. One needs transcendence to something bigger and beyond the self to be lifted above the mechanical following of rules of ethics.

One is always subject to conformity to the institutional orders one is involved in, as indicated by Foucault, but this subjection is never seamless; there are cracks through which authenticity can creep, and one can trade off different institutions against each other. Here is the blessing of 'parole', individual language use that can never completely be locked up in the public 'langue' (de Saussure), which resonates with Levinas' pronouncement that 'saying goes beyond the said'. There are shared meanings of words and rules of the game, but to some extent one can choose the game, and follow the rules in one's own style. In his late work, Foucault developed something like this, in his attempt to create an authentic life as a 'work of art'.

Chinese philosophy differs from Western philosophy in that it is oriented towards the community, and the purpose of philosophy is to give guidance to conduct, while Western philosophy is oriented towards the autonomous individual seeking knowledge of the world. However, there is a distinction between Confucianism, which seeks conformance in following the rules and habits of that community, and Daoism that professes 'wu-wei', the rejection of fixed rules, in authentic, spontaneous flow along with the ongoing dynamic of the whole of nature (Dao). There, one falls back on the natural self, undistorted by the strictures of society.

Elsewhere (Nooteboom, 2021), adopting the ontology of nodes in networks, I reconstructed identity not as a thing we have, but as networks we are in, with an individual seen as a node in various networks. As a person, one can be positioned in different, partly overlapping networks at the same time, connecting people with ties that are direct or indirect, via an intermediary agent. Ties bear different forms of capital: economic, social, cognitive, political and symbolic (as proposed by Pierre Bourdieu). Symbolic capital includes norms and ethics of conduct, and their expression in symbols, myths, rituals, canonical stories and histories, role models, proverbs and sayings. Personal identity builds on the networks one is in, and thus one has a wider scope and reach of identity to the extent that one is involved in more networks. Identity

shrinks when one is left outside networks. The ties in networks are cemented by mutual dependence concerning forms of capital. The networks are related to family, job, profession, religion, community and so on, and can cross national borders.

In networks, the individuals need to have sufficient width and depth of knowledge to yield the 'absorptive capacity' of dealing with other people at some 'cognitive distance'. It follows that the less education and experience one has, the more difficult it is to profit from networks. Thus, some people have less scope for authenticity than others, in a paucity of networks, and this yields inequality.

Questions

- Is authenticity naïve, a dream
- Do you see other ways, not discussed, of balancing authenticity and conformity
- Does your identity have a constant essence, or is it in continuing development

5. Meritocracy and equal opportunity

Meritocracy, a society based on reward for merit, is an excellent idea, in theory. Proponents argue that reward for talent and exertion makes for a flourishing society. It creates competition, which generates efficiency and innovation, and elicits development of talent and exertion in the use of it. Talents are inherited and thus unequal, but they take dedication and effort to develop and practise. Merit stimulates people to engage in the challenge of enterprise. Inequality of income and wealth is reduced by progressive tax. In many countries there is equality of access to schooling and health care. There has been substantial upward social mobility.

A question is how one measures merit, and how it is to be rewarded. Pecuniary reward depends on price, which is settled by the (im)balance of demand and supply. Thus merit does depend on satisfaction of others' needs and wants. This requires reasonably free markets. A society that yields benefits that are determined by need and are undeserved by talent and exertion will slump and lag in prosperity. Markets are needed because in contrast with central planning they make maximal use of localised knowledge of needs, wants and opportunities. They give room for diversity, in tastes and initiatives for production, supply or entrepreneurship. Competition is a learning system, as Friedrich Hayek claimed (Hayek, 1945). A justification of advertising is that it reduces search cost, informing users of the availability and quality of supply of products, for both consumer goods and inputs for production.

On the other hand, meritocracy is ethically acceptable only when people have reasonably equal opportunity, which is not the case. Few proponents of meritocracy will deny that equal opportunity is needed, but they often underestimate what is needed for it. Talents are unequally distributed. The socialist Dutch economist and Nobel prize winner Jan Tinbergen once proposed to tax talent. For most people that goes too far. The talents one has are inevitably unequal, but one can tax the proceeds of talent, and use it to equalize the opportunity of developing and utilising the opportunities one has, however limited. Talent is a potentiality, and needs to be developed and brought into action to flourish. That requires effort and perseverance, but success depends on where one was born, what resources of housing, family and education one has.

The economist Amartya Sen, who among economists has an exceptionally broad view, emphasising justice and morality, offered the concept of *capability* to realise potential, for which one needs not just room for action, but also access to the resources needed to utilise

that room, yielding what I earlier called 'positive freedom'. A blind person needs braille and a guide dog, a lame person a wheelchair.

Capability requires education and schooling, to draw out the realisation of potential. Teaching involves a dilemma of push and pull. How far to go in transmitting knowledge or competence to pupils, and how far to go in leaving them to their own resources, another dilemma. The Russian developmental psychologist Vygotski offered the metaphor of *scaffolding*. Teaching is like building a bridge along a scaffold, until the bridge can support itself, after which the scaffold can be removed. Not all children have access to schooling, and the effect of schooling depends on education and support, in particular language ability. Covid-19 has increased inequality in this, with the imposition of home schooling, where children differ in the resources they have, in terms of space at home and a computer, attention from parents and the educational level of those.

Next to public schools there are private ones, often of higher level and quality, offering in addition to education also networks of advantageous contacts. They demand higher fees, accessible only to those with well-to-do and highly educated parents. An argument for such elite schools might be that they promote excellence and hence higher potential merit, but they do create greater inequality of opportunity. This can be reduced with liberal scholarships, but only in part. Partly out of a drive for more equality, school programmes have been standardised in skills that can be measured. This is part of a more general drive to standardise programmes, products, procedures, in many services, out of an urge to control everything, and make them measurable to enable such control. One finds the drive towards measurement and control everywhere, out of a fear of deviance, but it also kills experimentation and originality.

After a period of going up, social mobility is now stagnating and even declining. It had to decline sometime. Not everyone can be above average. For it to continue, there also has to be downward mobility, but the well-to-do fight the downward mobility of their dependents, by submitting them to a rigorous learning discipline, and sending them to those expensive elite schools and to remedial teaching, and offering inherited leadership positions or capital.

Learning goes beyond the acquisition of skills. Vygotsky, mentioned before, characterised teaching as drawing understanding, insight and capability out of the pupil, mobilising its potential, to develop and discover its ability and interest, and find its path in life.

Equality lies in the eye of the beholder. Recently, in a newspaper I read a quote of Carol Andersen in Politico, in 2016: 'If you have always been privileged, equality sounds like suppression'. This is certainly part of the uproar of populists against protests from BLM (Black Lives Matter), by whites who were previously privileged compared to blacks.

Not all inequality is due to the luck of heritage or discrimination. Sowell (2019: 2) gave the following numerical example. Suppose that for success in a project or job one needs the combination of five properties. One easily arrives at such a number, even when neglecting specific skills needed for the job. Think of the following: intelligence, dedication, collaboration, perseverance, and social skills. If the chance for each of them is $2/3$ then the chance of having all five is about $1/8$. One would not want to eliminate such inequality, because one can do so only by abolishing quality by reducing the requirements for it.

Many economists and policy makers bandy about the notion of an 'equal playing field', for everyone to have equal chances in competition. And indeed, one can try to prevent entry barriers to markets, discrimination in labour markets, nepotism and corruption, but access to talent, information, knowledge and networks will always remain unequal.

Many people get rich without merit, in inheritance and investment in houses and other assets. Flexible workers run more risk of unemployment and have fewer social benefits and lower or no pension than those with an employment contract. Immigrants are often discriminated in the access to labour markets, housing and other facilities.

There are also problems with markets. Its blessings are routinely blocked or distorted by monopolies, oligopolies, lobbying, lack of transparency of quality, and other so-called transaction costs. Transaction costs are costs of contact, contract and control. Costs of contact lie in the need for supply and demand to find each other, costs of control in judging quality and reliability, monitoring adherence to agreements, and haggling and litigation in case of disagreement.

One kind of transaction cost, yielding *relational risk*, is that associated with so-called *relation-specific investments*, dedicated to a partner, and worthless when the relation breaks. This creates dependence on the partner that may be used by him/her to bargain for a greater share of jointly produced added value, threatening to walk out and leave you with a useless asset. The investments can be specific in facilities close by the partner, in dedicated tools or installations, in training, knowledge and skills, the building of trust in the partner, knowing who is who in the partner's organisation.

An example is submitting an article or book for publication by a journal or publisher. You are supposed not to submit to others at the same time. This limits competition and is a nuisance to the author, but it is understandable because the journal or publisher makes investments of judging the proposal and sending it out to reviewers, specific to this proposal, which are lost when the author switches to another journal or publisher.

The exclusive relation should last sufficiently long to recoup the specific investment. For the duration, this excludes competition, which flies in the face of public competition policy. This yields a dilemma for that policy: should one maintain openness to competition or allow temporary exclusiveness to stimulate specific investments, to encourage durable collaboration for the 'novel combinations' of innovation that require dedicated investments.

I have experienced problems in the measurement of merit as director of an academic research institute, where there was external pressure from funding agencies to evaluate the merit of researchers on the basis of number of their articles, weighted by the standing of the journal, measured by its *citation score*, the average number of citations of articles in the journal, or by the citations of a specific article or book. However, supposedly objective counting of citations is tainted by citation groups of scholars colluding to cite each other, and there is the phenomenon of citing celebrities because that is the thing to do, in order to have a paper accepted for publication. Against the stream, I pleaded to also read a published book now and then, and form a substantive judgement of it. But that is seen as opening up to prejudice, inequality and perhaps corruption. I grant that this is a real problem, and some form of control may have to be devised. There is such a form, in peer review once in a while, where judgements are discussed by independent peers who have actually read at least some of the publications involved. Judgment and control is then based not on blind measurement, but on dialogue.

The difficulty of judging merit depends on the kind of product or service. So-called *search goods* can be judged prior to consumption because one is more or less familiar with them, such as a house, car or washing machine. Other goods, called *experience goods* can only be judged in consumption, such as a concert, piece of cake or professional service. To repair this, there is a demand for prior professional evaluation, in reviews and advice. A third type is *credence goods*, which one cannot judge even after consumption, such as advice of a consultant. If I could judge it, I would not have needed it. These problems of evaluation evoke the service of proxy judgement, by a commentator on a concert, a film critic, a rating system for restaurants, or accreditation of the supplier of a good or service.

Advertising can distract with misleading, irrelevant or dense information, such as the 'small letters' of an insurance policy. Providers of lotteries brag about how much one can win, but do not admit that the probability of doing so is negligible. It is advantageous for an

organisation to build up a reputation of reliability of a product and communication, but when in need the organisation can misuse it to deceive.

Power in the market, from offering much employment, contributing to the national product, is used for lobbying, pressing governments for subsidies, slack rules of pollution, low taxes or slack control of tax evasion, and low energy prices, on the threat of moving employment abroad when they are not accommodated. Here, in immoral conduct in the market, the principle of a *prisoners dilemma* is at work, which will be elaborated upon later. Here, one may honestly wish to behave morally, but cannot afford to do so unless one's rivals conform, but they all think that and nothing happens.

This is not the place to be exhaustive in the enumeration of market failures, but to illustrate their seriousness, I give a few. The financial crisis of 2008 was due, in large measure, to the fact that banks had incurred excessive risks in giving dubious loans and mortgages, and when those defaulted and brought banks close to bankruptcy, the banks were bailed out at the cost of citizens, on the argument that otherwise the financial system would crash. A second example is the *Ponzi scheme*, such as engineered by Bernard Madoff, where people are enticed to buy a stake in a project on the promise of large returns, and to lure customers, returns to early buyers are financed from the entry of later ones, which requires ever more new buyers until the scheme is unmasked and collapses.

There are *network externalities*, where the utility of something increases with the number of buyers of products with the same technical standard, as with telephones, which require that users employ telephones with the same standard. If the standard is proprietary, this blocks competition. Then the first to establish a significant number of buyers establishes an advantage that followers cannot overtake. This yields an argument for establishing public standards accessible to all.

Large firms can raise entry barriers to new competitors, not only by proprietary standards, or patents, but by threatening to lower prices to a ruinous level if the new entrant appears. Patents are intended to encourage innovation, but are often built or bought to block entry, and are then left unexploited.

In markets, demand may be perverse, not serving public interest. There is great demand for president Trump, but it is largely built on lies, rhetoric, deceit, unfulfilled promises, and a lurid lure of violence. There is demand for excitement, entertainment, unhealthy foods, addictive substances, conspiracy theories, riches for the sake of riches, and less for culture.

In this dilemma of meritocracy and equal opportunity also, as in other dilemmas, we need a combination of both sides, of meritocracy and equal opportunity. Entrepreneurship can be encouraged, but needs to be blocked when it is against public interest or safety, or justice. Sandel (2012) narrates the case where the mayor of New York wanted to offer a free concert in Central Park. Because of limited capacity of the park, one did have to collect a free ticket of admission. An entrepreneur recruited strays from the street to stand in line for a pittance, to collect admissions to be offered to the highest bidder, thus frustrating the aim of a free concert. Markets are desirable, in principle, but not always. Sometimes, something loses its value when left to the market. Sandel gives the example of a prize, such as the Nobel prize: what is the worth of it when it can be bought and sold to the highest bidder? What is the worth of a diploma when it can be bought?

When markets are indeed desirable, they never work perfectly, and need to be corrected, in ways that differ between industries. Markets need to be regulated, to prevent entry barriers, limit transaction costs, make standards public, increase transparency, block monopolies, and control lobbying, insider dealings, corruption, discrimination and misleading advertising.

A universal, unconditional basic income (UBI) might contribute to the solution of the dilemma between meritocracy and equal opportunity. It goes against meritocracy in being unconditional, not depending on merit, but it provides a basis, equal for everyone, of conducting any kind of endeavour. Entrepreneurs, for example, have a basis to survive in the difficult early years of a new enterprise when they have nothing yet to warrant a loan. When the business fails, they can fall back on the UBI. In case of indigence, people no longer need to receive conditional social benefits that currently they need to surrender when entering employment. This is the so-called 'poverty trap' that keeps people trapped in unemployment. Fears that with a UBI people will have no incentive for economic activity have been shown to be largely unjustified, in experiments in several countries. On the contrary, the current discouraging surrender of benefits in case of activity falls away since the UBI is unconditional. Yet, the debate on a UBI is ailing from the unproven claim that it could not be financed. Currently, under the plight of Covid-19, many people lacking the merit of economic activities, blocked by restrictions for fighting Covid, are receiving benefits. This has occasioned a resurgence of the debate about a UBI. If large sums can be forked out for compensation for the Covid restrictions, why not for a UBI, which would allow or even stimulate the exercise of merit when the pandemic recedes?

Questions

- Do you lean more towards meritocracy or equal opportunity
- Can you give more cases where merit is difficult to measure
- Can you think of a case where unequal opportunity can be improved while preserving meritocracy
- Can you think of a relation-specific investment
- Do you agree that markets may have to be excluded from certain activities and regulated in others
- Are you in favour of a UBI

6. Progressiveness and conservatism

Conservatives are wary of the uncertainty of change, in particular unintended and perverse outcomes of intervention, and of the reduction of liberty that such intervention creates. Economic conservatives are generally in favour of non-intervention and many are libertarian, in favour of unfettered markets. Government intervention is seen as unleashing inefficiency, and therefore obstructing prosperity, in contrast with free markets.

I sympathise with Taoist libertarianism, aversity to rules and regulations, but that kind of libertarianism is leftist, progressive, condemning 'ruthless rivalry, undiminished very profit-oriented and property-oriented thinking' (Komarcyca, 2019: 122), and assigning government the task of ensuring that the whole population has the means for a flourishing life.

Cultural conservatives are wary of erosion of traditional culture, and values of religion, family, birth and feelings of being rooted and belonging in a nation or community. They fear that those are threatened by an influx of fugitives or other immigrants, diluting national values and culture, or stealing employment and housing.

Conservatism is laudable for its modesty in effecting change. It is often based, implicitly or explicitly, on *stoicism*, the old stance, going back to antiquity, of not trying to change what is not in one's power to change, to accept that the universe has its order, which one should submit to, and be resilient to inevitable change. As a result, they feel less compelled to fight injustice. Stoicism is not only part of Western civilisation, but also of Eastern Taoism, which also pleads for non-intervention.

Remarkably, research has repeatedly shown that conservatives and republicans in the US consider Covid-19 less of a threat than liberals/democrats (Conway et al., 2020; Hamilton and Safford, 2020). Closer investigation showed that this is not due to their being less vulnerable because they are often richer, with larger, more spacious homes, and other means to facilitate isolation, but due to the fact that if Covid were serious, the government would have to intervene, which they do not want (Conway et al. 2020).

There is an evolutionary basis of mistrust and discrimination of outsiders. 'Parochial altruism', studied by de Dreu et al. (2014), is solidarity within the group one feels to be a member of, and suspicion of outsiders. It has adaptive, evolutionary value for group survival. But a solidary group is vulnerable to opportunistic infiltrators that prey on internal solidarity, and in evolutionary selection push out the people that practise solidarity. Thus, that society can survive only when accompanied by parochial altruism that identifies and blocks the outsiders. The identification of outsiders is most easily done on the basis of appearance, in skin colour, dress, religious practice, conduct and language ability.

To lift people above personal vulnerability in the effort and risk of identifying and blocking invaders, there has to be a stronger motivation than self-interest, in existential commitments to religion or other transcendent cultural commitments, tainting the outsiders as inhuman, animal, depraved. In the brain, this is activated by areas that harbour feelings of disgust that in evolution helped to prevent contagion with poisons and filthy food. This disgust offers the needed willingness to make sacrifices in defence of internal altruism. There lie the roots of prejudice and discrimination, all the more effective for being instinctive from developing in evolution. Autocratic regimes often prey on this instinct to anchor nationalist dreams of unity and exclusion of immigrants.

Tragically, it seems true that refugees often do receive more social support than autochthon citizens on average do, but this is partly because they are not allowed to work for prolonged periods of time, until they are awarded citizenship, and are thus locked into unemployment. To mend this, they should be allowed to work immediately upon arrival, even if full citizenship is suspended for a while.

In fighting inequality of ownership, communism under Stalin developed a coercive, authoritarian society with limited freedom, weak in innovation. It claimed to be progressive, but was in fact conservative, causing rigidity.

Religious political parties are conservative in trying to preserve religion, and the need to work, but progressive in their Christian or Muslim striving for compassion and caring for the poor, with social security and foreign aid, while other conservatives are usually indifferent or against that.

Progressives find that in dreaming of the virtues of free markets, libertarians disregard moral considerations of justice and fairness, and ignore imperfections of markets. Progressiveness is based on the faith that change for the good is possible, and should be sought for the sake of justice. Concerning the stoic spirit of not intervening in injustice, because it is often fruitless, how do you know that you have no influence if you haven't tried it?

Followers of conservative populists do not shrink from causing mayhem and wrecking constitutional order, to defend historical institutions, such as freedom to own arms, ingrained habits and instincts of racism and discrimination.

Economics can be conservative in the positive economic effect of experience accruing in a given activity, yielding increased efficiency, in streamlining production and eliminating redundancies, which yields a threshold to moving on to something new.

In economics there is a law of diminishing returns, which says that the more you have of something, the less value an additional unit of it will have to you. When one applies the law to money and wealth, one can see that an additional amount has lower utility to the wealthy than

to the poor, and this yields an argument for the redistribution of wealth and income by higher taxes on the wealthy than on the poor. On the other hand, the J.S. Mill and Pigou argued that the wealthy spend more on the pleasures of 'higher' utility, such as .concerts, opera, ballet, visual art, books and learning, while the poor spend more on things of 'lower' utility, such as junk food, drinking, football matches, entertainment and hypes, excitement of fast driving and rave parties. Then, redistribution of income and wealth will reduce the incidence of the higher utilities. A rejoinder to that is that this is class prejudice, and that the thesis that the rich engage in things of higher utility is dubious. It may have been true in the past, when royalty and nobility bought and commissioned art, sponsored musicians, and built glorious architecture, but now one sees the rich seeking distinction in getting richer than their neighbours, showing off with cars and yachts, eating and drinking expensive delicatessen, going on expensive holidays, not so much engaging in reading and intellectual and cultural activities, and going to ballet, opera or art exhibitions mainly to gossip and exhibit themselves.

Whether one opts for conservatism or progressiveness depends on background, taste and political ideology. In this dilemma, I opt for progressiveness, but one needs to face the complications in that. Goodhart (2004) identified a *dilemma of progressiveness*. On the one hand progressives want to maintain diversity, of race, ethnicity, sexual preference, culture, appearance, religion, language etc., and on the other hand they want ample social support for whoever needs it, for which they must raise taxes, which grates with the indifference and grudge of people who are increasingly oriented to the interests of their own narrow group and do not want taxes spent on people they have no affinity with. This grudge has contributed to a conservative turn away from social solidarity, and more so to the extent that a society is fragmented. Goodhart proposed that in the USA there is less social support than in other countries because it is more fragmented in racial and ethnic groups than other countries, say Scandinavian ones. He quoted Putnam's saying that there is a 'link between high ethnic mix and low trust in the US'.

Paradoxically, part of the so-called political left has been conservative in trying to preserve the social benefits and regulations instituted after WWII. The rise of neoliberal ideology led to their decline, from the 1980's. Now even conservatives see that this neoliberalism has gone too far, with excessive and rising inequality between the rich and poor, and that governments should intervene, in curtailing monopolistic organisations and tax evasion, and impose higher taxes on the rich.

A Universal Basic Income (UBI), discussed before, is progressive in breaking the link between labour and income, and yielding more leeway for those who are now receiving social benefits or low wages, and conservative in making it acceptable to abolish many social benefits, and reduce protection of employment. Labour unions have been erected on progressive socialist principles, but are conservative, in the Netherlands, in sticking to the imperative of labour, because they have been ingrained with striving for maximum employment, and this is where they see their societal mission and claim to existence. Labour is seen as needed for social contact, but with a UBI one can be active without being employed.

I see myself as progressive and leftist economically, but I must admit that I am appalled at the decline that I perceive of cultural and intellectual values. An example is the following. The other day I read in the newspapers about an interview with the head of a news-show who was criticised for admitting raving nonsense from extremists and conspiracy theorists to the discussion table. Her answer was: no-one is waiting for nuance, and the show has to make a

bang. Excitement and entertainment rule, even in the news. Does this make me a conservative after all? I remain in favour of redistribution of income, equal opportunities, and the exercise of the cardinal virtues of moderation and justice, and try to make my contribution to uplift, if that does not sound too paternalistic, society in matters of knowledge and intellect. I am an old white man.

Questions

- Are you progressive or conservative, concerning the economy or culture
- How is progressiveness sometimes conservative
- What do you consider good in conservatism
- Are you in favour of high taxes for the rich

7. Democracy and authoritarianism

Democracy can be direct, in referenda, or indirect, in the election of representatives. Direct democracy, without the intermediation of representation, may have been viable in the classical city state of Athens, albeit with the exclusion of women and slaves, or the later city states in Italy, but not in the massive nation states of modernity. There, the voice of the people is indirect, in representative democracy. There is talk of adding a corrective referendum, to give the opportunity of blocking a government proposal. There is a variety of systems of voting, all with limits and vulnerabilities, about which there is a large literature that I will not discuss here (see e.g. Berry 2017).

An authoritarian regime seems more streamlined, decisive, fast, efficient and heroic than democracy. Support is bought of the powerful, such as business leaders, with preferential contracts, laxity of rules, or outright corruption. While autocracy yields limited negative freedom, limited room for choice, it can offer positive freedom, with positive power, in creating new options for choice. There can be benevolent autocracies, but the temptation is to restrict negative freedom, for ensuring continuity of power. An example is present China, which professes to be benevolent to ordinary people, yielding access to prosperity, but shackles their negative freedom of thinking, movement and expression.

An authoritarian regime preys on the craving of people for unity and collective identity, with the restriction of diversity, seen as deviance. It is characteristically based on myths of a heroic past of superior strength and spirit. With German fascism these were the Teutonic Knights. In the US it is the rugged individual conquering the West. It is tempting for autocrats to dress up their authoritarianism with a semblance of democracy, in elections, which they then frustrate by blocking opposing candidates, their access to campaigning, freedom of expression and demonstration, or allowing only fake candidates with no chance of winning, and repressing minorities. Authoritarianism limits freedom of expression, practises lies and secrecy, imposes fake unity, creates or claims fake foreign threats, muffles parliaments, and appoints rather than elects officials. Autocrats often make promises to the people that they cannot keep, and then hide the failure or blame it on a scapegoat, for which a political opponent is picked, which yields a pretext for its repression or persecution. A classic example is the elimination of Jews under the Nazi regime.

In addition to these drawbacks, autocrats often have a thirst for manifestation, sometimes with the fascist thirst for violence, and for the certainty and clarity in puzzling and uncertain times offered by conspiracy theories. 'Fascism' derives from the word 'fasces' which are bundles of sticks with a hatchet tied into it, used in ancient Rome to clear the path for a

magistrate. It was used as a symbol by the regime of Franco in Spain, and still is the symbol of the state police, the Guardia Civil.

Authoritarian regimes control criticism and voices of truth by censorship, until they discovered that by spreading and encouraging fake news, and themselves faking news, truth disappears, and they can simply label criticism as fake news. How can a democracy fight that? Can you block false news without limiting freedom of expression? That question has gained urgency with the blocking of Trump's access to social media.

Some formerly communist countries have ostensibly transformed themselves into democracies, but that transformation is problematic if economic liberalisation precedes political liberalisation (Kari and Schmitter 2002). That happened in Russia and Ukraine, where former elites of the *ancien regime* appropriated the liberalised economy as oligarchs, blocking economic liberalisation.

In theory, democracy allows for diversity of ideology, morality, activity, opinion and its expression. It requires deliberation and compromise, which is complicated, messy, clumsy and confusing. Masses of civil servants labour to build and execute policy, which they then dismantle under the next government. How inefficient and frustrating that is! It seems pedestrian and unheroic.

I recall Hegel's principle that one gets to know things in their failure. Therefore, to have a chance of correcting one's errors, preconceptions and prejudices, one must welcome opposition. That underlies the resonance that Hartmut Rosa speaks of. This opposition is lacking in an authoritarian regime.

However, currently, in many democracies, people feel a loss of the old confidence in progress, with the faith that the next generation will gain an improved economic position, feeling that the system is rigged in favour of the already well-established. They see through the false promise that deregulation and privatisation will raise welfare, while in fact public service declines. They deplore the lack, in market ideology, of morality, virtues of fairness, justice, and social bonds. They feel cheated that the culprits of the financial crisis, leaders of banks, get away scot-free. Democracy requires trust of people in each other and in government, and for both it has declined with rising inequality. Losing trust in government, people withdraw into private relations, in family or clan, which breaks down trust of citizens in each other. Democracy is still preferable to autocracy, but requires a more moral economics.

Many people in developed Western societies take democracy for granted, as self-evident, but it is not. Schmitter (1994: 57-58) wrote that: 'There is no proof that democracy is inevitable, irreversible or a historical necessity. It neither fills some indispensable functional requisite of capitalism, nor corresponds to some ineluctable ethical imperative in social evolution. Its consolidation and preservation demands an extraordinary and continuous effort -one that many countries are unlikely to be able to make. Democracies may stumble on without satisfying the aspirations of their citizens', and it is subject to a 'lingering demise'.

Democracy requires pluralism as opposed to monism, tolerance of difference, and the willingness to communicate across differences. This is becoming more difficult as diversity increases. There also is an effect of scale. Dahl (1984) claimed that as democratic societies become bigger and more complex, there inevitably is a clustering of interests, in a 'corporate democracy', with institutions like labour unions, employers' associations, associations of farmers, shopkeepers, cafes and restaurants, ophthalmologists, lawyers, pharmaceutical companies, car manufacturers, environmentalists, etc. Those associations are not or limitedly democratic themselves, dodging public scrutiny and accountability. For example, they may impose restrictions of autonomy on members of an association, under the banner of providing a joint image by way of accreditation. In bundling membership they can build a corporate

identity and collect and develop expertise. This development has been favoured by increasing privatisation, where government hived off many of its responsibilities. This makes it more difficult for democratic government to come to decisions on vital matters such as environmental policy, because for every policy, some partial interest is affected, and the corresponding lobby blocks progress, yielding immobility. At some point, the comparative advantage may shift to authoritarian regimes.

Democracy is not just following the majority, but also protecting minorities, with freedoms of expression, association, voting and being elected, and equality under the law. Judgement of legality lies with judges, and for this they must be independent from government and parliament. However, in their judgement they are inevitably affected by culture, and need to be, to maintain recognition and acceptance by the population, which yields a bias, such as that against black people, for example, or allowing the possession of arms. One may try to correct this with jury trial, but that introduces another bias of emotional appeal rather than arguments of justice.

Democracy prides itself on benevolence and limited control, but over time regulations have accumulated, with control to prevent misuse of the regulation, such as with social benefits. Occasional scandals of misuse have triggered excessive control, to the point that the rule is difficult to implement in practice. Parliament stacks regulations and conditions without being aware of the predicaments they cause for hapless civil servants that have to unravel the spaghetti. In the Netherlands, this has produced a scandal of the control of a scheme for child care subsidies. People benefitting from it were treated with extreme suspicion of fraud, leading to severe punishment of repayment while what went wrong was often due to just a mistake in filling forms or misunderstanding complex rules. Many civil servants did feel the injustice and hardship, and complained to their bosses, but were rebutted with the dogma of 'the law is the law'. There was a parliamentary enquiry, revealing the excessive injustice and hardship that was reported but ignored, which resulted in the government stepping down. There are two root causes. One is that inoperable legislation is crafted by a parliament that has no task in dealing with the complexities of execution. The second, more fundamental cause, is the urge to excessive control. In tandem with more parsimony in control, part of the solution is to allow more case by case individual judgement by those executing the regulation. Instead, attention seems to go only to the question which politician should be punished, in having to step down. As noted before, such leeway for case-by-case judgment may yield inequality and even corruption, but this may be controlled to some extent by peer review.

In a democracy there is a dilemma of transparency versus secrecy. In the scandal concerning benefits for child care, as discussed, one of the criticisms was of the 'Rutte doctrine', Rutte being the prime minister, which entailed that some information is not divulged, even to parliament, which is a sin against democracy. There were reports of the inequities in the administration of the child care benefit, but they did not reach parliament or even ministers. The prime minister argued that some confidentiality was needed among civil servants and their ministers, and there is some validity in this. In negotiation between conflicting interests, when moves and proposals are divulged prior to agreement, they may be torpedoed by oppositional clamour before they can be balanced by compensating concessions. There needs to be time for a to-and-fro of proposals before they settle down in a balance of interests. This arises also in diplomacy that needs to be conducted in secret. However, one can see how it went too far, and after an agreement is reached, one can document the considerations and arguments, for the sake of accountability.

The European Union (EU) defends democracy but is itself limitedly democratic. The unelected European Commission is the sole initiator of European laws, some of which trump national law. The commission is not elected but proposed by the European council, which

consists of national heads of state, and only needs approval from the European parliament. Only three out of all languages of the union are used in deliberation and policy making.

The EU harbours limitedly democratic states, such as Hungary, which restricts opposition and free speech. The EU tries to penalise that country for its authoritarianism, but cannot dismiss it as a member, so that censure is mostly exhortation, rhetoric. The EU threatens to withhold subsidies, but the counterthreat is that the country will sabotage all decision making.

One of the problems of democracy is that it is oriented to the short term, of some four years until the next election. This inhibits attention to long term issues such as climate change and other degradation of the environment. An authoritarian regime that inhibits or lacks open elections can afford a longer term perspective, such as in the Chinese investments all over the world for a new 'silk route'. In China, prosperity of many has been raised by undemocratic, forced and unequal stimulus of economic growth by forced eviction of people from 'backward' locations and poor working and housing conditions of workers at development sites.

Democracy is vulnerable to demagogues and legally admissible sabotage by false rhetoric, conspiracy theories, dissimulation, creeping coups, claims from insiders for more negative freedom, false promises, illusory seductions of national unity and a mythical past, hidden discrimination appealing to prejudice, stimulants of the parochial altruism that was discussed before. I do not wish to imply that every leaning to populist, authoritarian, nationalist leaders, is based on prejudice, lies and false promises or irrational myths. There are legitimate grudges from loss of jobs, due to globalisation, automation and robotisation. Globalisation has been driven by market forces, with the economic argument of '*comparative advantage*', which says that production should take place where it is the most efficient, relative to other activities, and materials are to be sourced where they are cheapest. In lowering costs, that has greatly contributed to prosperity of citizens in general, but has been destructive of the interests of some workers, who not only lost their jobs, but suffered because of economies of scale and specialisation, the drive to efficiency, which caused the razing of old, small and 'inefficient' housing, small shops and other amenities in narrow roads, and the building of tall apartment buildings and offices, sprawling shopping malls and highways, whereby work was moved to a distance, local amenities disappeared, young families moved out, and small communities suffered. People have a deep-seated need for sociality, indeed they develop their identities in interaction with others, which needs some degree of continuity. This is *resonance* again. Next to this economic and social loss, economic development with its demand for efficiency, the centrality of pecuniary values, the pursuit of consumption, the commodification of goods, the fetishism of property, destroyed traditional values, such as those of family and faith, that were constitutive of identity. In consequence and in combination with that, many people felt a loss of recognition and respect, being seen as 'deplorables' They are now celebrate their resentment in supporting Trump.

Formerly, it was thought that ultimately democracy will win, because the central direction of autocracy will ultimately fail, and market dynamics is essential for increasing prosperity. However, the Chinese have shown that central direction with controlled and limited market dynamics can win out in economics. China is not on a path of transformation to a standard capitalist market system, but on a path of ongoing central direction by the Communist Party in combination with limited market dynamics, in allowing private enterprise next to the continued existence of large state-owned enterprise, localised collaboration between politicians and private business, with privatisation of some state assets, and access of foreign investment in some sectors, but not in telecommunication for example (Mueller and Tan 1997). In the long run people may demand democratisation, but the evidence shows that many seem to value prosperity more.

Are there opportunities for improving democracy, in reducing its bumbling and erratic shuffling to and fro, its inequalities, obfuscations, short term perspective, excessive control in regulations out of distrust of the population? Some possible solutions have been offered above. Concerning the short term bias of business one can limit the influence of shareholders who press for short term profits. One can impose more tax on pollution, such as the carbon tax on emissions that is now being discussed. For government it is problematic to extend the time perspective of government by lengthening the period between elections, because that delays the pressure of democratic control.

8. Rationality and emotions

Feelings do not necessarily generate actions, emotions do, as the root meaning of the word says: they e-move, move one outwards. Here I concentrate on what moves action: rational reasons, intuitions, heuristics, habits and emotions. Rational reasons are conscious and deliberate, emotions are conscious but automatic, not deliberate. The West has been imprinted by the Enlightenment, which has celebrated rationality, and thereby has produced a wealth of progress in science, technology and prosperity, but reason has galloped beyond itself, neglecting body, emotions and feelings.

A dominant metaphor, going back to Plato has been that of seeing. The original meaning of the ancient Greek word 'theory' was seeing. One sees truth in one's mind, in the form of clear and distinct ideas (Descartes). And indeed, when one sees a cat on the mat, one cannot doubt that one sees a cat. In the postmodern literature the metaphor of seeing is seen as objectifying people, forcing them into a pre-established frame, robbing them of their particularity and denying their inscrutability and irreducibility (Levin 1999). However, I do not think this is necessarily the case. Everyone has experiences with telling reciprocal glances that give resonance and show empathy. Not looking at someone while talking to him/her is alienating. But one cannot look in all directions at the same time, and hence looking is constraining.

How do we reason? Apart from 'seeing', is reason calculative? According to utilitarianism, which currently is the dominant ethical stance, we are moved by pleasure and pain, and rationality entails that we aim for maximum utility, minimum pain and maximum pleasure. For early utilitarians, such as Jeremy Bentham and Adam Smith, the aim was the greatest utility for the greatest number of people. The ideal was to attach a number to utility, called *cardinal utility* that could be maximised. That is problematic. How can you put a number to the totality of different pleasures, such as attending a soccer match, enjoying a pizza and the smile of your daughter? J.S. Mill recognised that not all pleasures are commensurable, cannot all be added up in a single measure of utility. He distinguished between 'higher' pleasures of the mind and spirit, and 'lower' pleasures of body and matter. The economist Pigou later adopted the idea of higher and lower pleasures (Berry 2017). Later, the notion arose of a hierarchy of needs in Maslow's pyramid, with at the bottom physiological, bodily needs of food, sex and defence, next, on a higher level, needs of shelter and safety, then social needs of recognition and belonging, and at the top of the pyramid spiritual needs of self-realisation. The order is not universal; sometimes prestige supersedes survival. It is even more difficult to aggregate the pleasures across people. In economics, based on utilitarianism, the aim of people shrivelled to the greatest utility for the self-interested individual

Later, economics replaced cardinal utility by preferences, called *ordinal utility*. No number was attached to utility, but a person can decide which he prefers in a number of options,

regardless of how strong that preference is. Preference had to satisfy certain axioms, such as transitivity: if you prefer A over B, and B over C, then rationally you must prefer A over C. The problem to aggregate across individuals remains. Economists assume preferences to be given, prior to choice, but in fact they develop with action. Choice may precede preference: You may have to try something before you know if you prefer it. Furthermore, preferences depend on means to realise them. It is hardly rational to consider options for preference that one cannot realise for lack of means. Preferences are affected by learning, and moral considerations, and therefore by place of birth and culture. They may be formed by mistaken or ill-informed ideas, affected by false news and rhetoric, misdirecting preferences from what one 'really wants'.

I give an example concerning shops, say supermarkets (Nooteboom 1984). Shops have several dimensions of utility: price, proximity, and range of goods offered (called 'assortment', in width of types of foods offered, and depth of brands and prices per type of good). Let price be indicated by 1, range of goods by 2, and proximity by 3. Cheaper shops tend to be farther away, larger than the neighbourhood shop, but to offer a greater range of goods. Let preference be indicated by the symbol $>$. Let the decision rule for choice be that you choose the shop that is preferred in most dimensions. Now let there be three shops you can choose from: A, B and C, and:

1. You prefer A over B, because $a_1 > b_1$, and $a_2 > b_2$ (A is a hyperstore, with a wide assortment of food and non-food, and is cheap), but is further away: $a_3 < b_3$
2. You prefer B over C, because it is more proximate, $b_3 > c_3$, and cheaper, $b_2 > c_2$, though it has a narrower range of goods, $b_1 < c_1$.
3. You prefer C over A, because although it is more expensive, $a_2 > c_2$, it is more proximate, $c_3 > a_3$, and has a deeper assortment of goods, $c_1 > a_1$, (it is a neighbourhood delicatessen).

The result violates the axiom of transitivity: $A > B$, $B > C$ and $C > A$. This is supposed to be irrational, but the story of the shops is plausible, I propose.

The illustration is logically the same as Kenneth Arrow's famous 'paradox of majority voting', but that operates on comparison of preferences between people, on inter-personal preferences between choice options. With Arrow, the paradox of intransitivity turns on 'preference reversals' concerning the choice of a single thing between people, with X preferring A over B, and Y the reverse.

Pigou reverted to cardinal utility, and while admitting that economic welfare is not equal to total welfare, and ignoring the problems of aggregating different utilities, especially across individuals, he went ahead and developed the notion of national product, in the drive to measure economic success. National product is misleading, since it incorporates only things included in price. That means that if a man marries his housekeeper, national product goes down. National product excludes so-called 'external effects', i.e., things not included in price formation, such as pollution, or, on the positive side, public services such as safety (police, fire-brigade, army), public schools, street lighting, health care, refuse collection, scientific research, roads and bridges, culture and art, and jurisdiction. No small shortcoming. Positive external effects arise when everyone benefits, and people cannot be excluded from the benefit. On toll roads one has to close off exit and entry where there are no pay booths.

I do not cease to marvel at the blitheness with which economists create and use ideas that are admittedly untrue. They celebrate rationality, but are themselves irrational in making

unrealistic assumptions and then applying them to reality in policy advice. Their argument is that it is still useful and it is better to have something rather than nothing, as a basis for policy.

Against the reasoning of a subject is the recognition that rather than being an outside subject looking at the world, we form our ideas in interaction with the world. There is 'framing', having a mindset by which one interprets a situation, and which harbours a repertoire of actions triggered by that interpretation. It is a form of bias. This is non-rational but may be adaptive in fast response to danger or opportunity.

David Hume claimed that reason is the 'slave of the passions'. Emotions set the agenda, and help to step out of routine conduct. The subconsciousness of choice, in routines, is rational, in that if we had to consciously reason about all we do, the scope for rational reflection beyond daily actions would be severely restricted. Now, because we have routines, we can operate daily activities without using our limited capacity for rational attention, and dedicate that capacity to the unfamiliar and unexpected. With that, we can converse and reflect while driving a car. But routines can yield disaster when unusual conditions arise. Routinised driving of a car covers the normal, but when an accident is about to happen, we need the emotion of scare to catapult us out of routine into rational reflection.

Our choices are ruled by non-reflective and often non-rational 'decision heuristics', bypassing rational reflection and calculation. While they are non-rational, they can be adaptive, assisting survival. One is *loss aversion*: we make greater efforts to avoid the loss of what we have than to acquire things we do not have. This can lead to irrational, fruitless litigation to defend against loss. This is adaptive in that in evolution loss often was loss of life or livelihood. A second heuristic is statistically *unwarranted generalisation*, raising incidents to the level of law-like regularities. Mishaps or incidental misconduct is seen as 'always' happening. This is adaptive in being alert to the possible recurrence of opportunities warranting engagement, and vulnerability to recurrent threat. Another is *escalation of commitment*, where past losses of a line of action give a motivation to stick to it. This is not rational because bygones are bygones, water under the bridge, and rationally only future costs and benefits matter. Thus, loss of the lives of soldiers prods continuation of the war, because otherwise those losses 'would be in vain'. It is done in spite of its non-rationality, for reasons of reputation, because withdrawal would signal an admission of having made a bad decision. However, it can also be an indication of perseverance in the face of setbacks. Another is *anchoring and adjustment*, where people stick to established practices, or allow only for marginal adjustment, even though what is established is arbitrary or counterproductive, requiring a new approach. Yet, this also may be adaptive as perseverance.

Psychology has shown that intuition often works better than rational calculation. When you buy a house you need to rationally consider things like the state of the roof and of foundations, the drains, electricity wiring, water pipes, conduct of neighbours, proximity of public transport, and so on. But you generally don't then decide by sitting down to make a list of pro's and cons, attaching weights, and calculating the balance. You may do that, but generally that does not clinch the issue. You sleep on it and decide on how 'it feels'. Such decision making often works out well. Apparently, there is some process in the mind that does the balancing, mixing rational considerations, feelings, memories, and emotions. The conscious, rational considerations are not useless, but they feed a wider, subconscious process that we call intuition.

Reason still is one of the 'cardinal' virtues, i.e. virtues about which everything turns, next to the virtues of courage, moderation and justice. Emotion loads empathy and benevolence, needed for the cardinal virtues of moderation and justice.

Institutions are rules of the game (Hodgson 1998), enabling and constraining action, such as laws and regulations. police, jurisdiction, prisons, etc. They constitute largely rational governance of actions, requiring organisation and control, limiting or promoting negative freedom. Action can also be guided by morality, which is more laden with feelings and emotions, and does not require organisation and control, but arises by assimilation in education, schooling, and experience along the path of life. While institutions mostly affect negative freedom, morality can yield positive freedom, such as justice in access to resources.

In evolution, humans and other beings have developed mechanisms to maintain equilibrium, *homeostasis*, against destabilising threats, and to seize opportunities, from the environment, in order to survive. Those take physical forms, of physics and chemistry, but also psychological ones, and there emotions come in, such as anger, fear, disgust, hatred, love. Damasio (2003) proposed that feelings arise as mental representations, literally reflections, somehow, of emotions, yielding conscious thought and reason. Thus, reason builds on emotions and goes beyond them. Emotions are unreflected, non-deliberate part of a psychological mechanism of survival, developed in evolution. Damasio was inspired to this by Spinoza, with his notion of *conatus*, who recognised the role of emotions in decision making.

9. Certainty and uncertainty

Certainty is scarce, though it does exist. There can be certainty of something when it logically follows from the axioms of an underlying mathematical system that you take for granted, but it is conditional on that. That is called 'analytic' truth, by deduction, in contrast with 'synthetic', empirical truth.

Uncertainty can be denied, by religion, with a benevolent God, belief in an afterlife, and may be hidden in ritual. Natural scientists used to search for the certainty of laws of nature. David Hume warned that no matter how long one has observed a regularity, this does not logically imply that it will continue in the future. The regularity of nature is an assumption. One needs a causal account to justify the regularity of any phenomenon. This inspired Kant to the idea that we do not know reality as it is 'in itself', but only by the working of mental frames of interpretation. I would give that a little twist in adding that one does not know to what extent ideas form and distort reality. If we do not know reality as it is in itself, how do we know that and in how far do ideas misrepresent it? We can only have confidence in ideas to the extent that they satisfy logic, cohere with other ideas that have withstood the test of time and have survived a variety of criticisms. In (post)modern philosophy, there is no outside subject looking at the world from outside, but the subject is part of reality, emerging in interaction with it.

An example of mind frames that are 'triggered' by circumstance is the following. Show someone a white napkin, a white shirt, a white sheet of paper and ask what cows drink. Often, triggered by the whiteness of things, people say 'milk', but the right answer is 'water'.

On the other side of the dilemma, the view is that uncertainty is pervasive and inevitable. Physicists have become accustomed to the Heisenberg uncertainty principle, that one cannot with certainty measure both the position and the momentum of an elementary particle such as

an electron. An electron circling the nucleus of an atom has a 'cloud' of probabilities of location. When colliding with something else, the cloud collapses to a determinate location. Nature was before seen to consist of things existing independently but is now seen as inherently conditional upon interaction with other particles. That yields a process view of things (Nootboom 2021).

According to Karl Popper, theories can be falsified but not proven, and logically this is an incontrovertible claim Theory seeks laws that claim universal validity: given conditions A, B, it always occurs. Popper proposed that the ethic of science is to search for falsifications. Others objected that it is not rational for scientists to do this. They have an interest in gaining recognition by theories that are confirmed, giving a rational incentive not to search for falsification, or even hide it when inadvertently found. In a famous debate (Lakatos and Musgrave 1970), Popper admitted this and even pleaded for a certain conservatism of neglecting falsification, not only because such conduct is a fact of life, but also because it is rational in yielding information on the limits, the 'true strength' of a theory, and yields hints in what direction to seek renewal, again in tune with Hegel's principle of learning by failure.

Economists distinguish between risk and uncertainty. In risk, one does not know what *will* happen, but one knows what *can* happen. You can see this as a set of all possible occurrences or outcomes. One can assign probabilities to them and calculate 'expected value'. If one does not know objective probabilities, the procedure is to assign equal probability to all possibilities, and adapt them as experience accrues concerning their frequency of occurrence. Under uncertainty, by contrast, one does not know all that can happen, but one can imagine possible futures, in narratives about it, called 'scenarios'. One cannot optimise a policy across all possible but unknown futures, but one can consider the 'robustness' of a phenomenon or policy across a few such possible futures, choosing a policy that is not necessarily optimal in any of those futures but yields a satisfactory outcome in all of them.

Uncertainty is unsettling to many people, who are then tempted to deny the uncertainty of a phenomenon, or even the very existence of uncertainty, and to construe myths that do yield an imagined certainty, in conspiracy theories that yield apparent certainty, often encompassing a multitude of phenomena, for the sake of simplicity, while rejecting criticism, theoretical or empirical, as exemplifying the bias and interest of the conspirators, and thereby confirming rather than falsifying the conspiracy theory.

Economists seldom take uncertainty seriously, and mostly opt for treating it as risk, because under uncertainty they cannot engage in the calculation of an optimum, which belongs to the core of economics (Hodgson 2019). As a result, they cannot offer an adequate account of innovation or learning, where uncertainty is of the essence. With a treatment in terms of risk, they can manage to reconstruct innovation that is incremental, staying within the basic principles of established practice. In government innovation policy this is favoured, because one likes to plan innovation in concert with incumbent business leaders, politically necessary for acceptance, while still waving the fashionable flag of 'innovation'. For the leaders of large business, with a stake in established practice, incremental innovation is preferable because it does not yield the 'creative destruction' of more radical innovation crossing the limits of established practice and the investments 'sunk' in it. Radical innovation is erroneously expected to follow from specifying intended outcomes and timetables of achieving them, which is a contradiction in terms. Radical innovation yields unexpected outcomes that are not yet useful now, which are then labelled as 'failures', while even in their failure they are useful in showing which avenues do not yield results and indicate new avenues to try. As noted

before, according to a Hegelian principle, one gets to learn things in their failure. Furthermore, radical innovations that do yield a useful outcome have a large and wide impact that compensates for the cost of efforts that did not have impact. This yields a criticism by many researchers of policy where fundamental research is challenged to be useful in the short term, while its often large impact emerges in the longer term. This criticism was included in a report to the Dutch government that was developed under my supervision. It was not appreciated, for threatening to ruin the game of calling incremental improvement innovation.

An alternative perspective, accepting uncertainty, is that of evolution, which does not presume a rational 'intelligent design', but explains development of novelty as the outcome of a process of selection by the environment, in combination with the generation of variety submitted to selection, in nature by chromosome cross-over in sexual reproduction, mutation of genes and variations in the interactions of genes and their 'expression' under influence of their environment. In heterodox, evolutionary economics, variety is created by invention and innovation, by entrepreneurs, and selection is done by the market and institutions.

In science, research proposals and papers are regularly rejected by scientific journals because they do not fit in the core of the research programme adhered to by the editors and reviewers of the journal. This is an example of selection, in an evolutionary theory of science. However, scientists held back by this selection frequently create their own proprietary journal, thus creating their own selection environment. This also happens to some extent in nature, when organisms defend themselves against selection, or create a benevolent selection environment, with beavers building dams, rabbits digging warrens, or species engaging in symbiosis with others or being parasites. This matching of selection environments with life forms to be selected, is called 'co-evolution' or 'niche construction'. When this prevents a stable selection environment, evolution breaks down. For libertarians who disregard market imperfections, this yields an argument not to interfere with the selection mechanism of the market.

An example is the present breakdown of selection of opinions by arguments of truth, logic and facts, since truth has been made irrelevant by demagogues, and some governments, in the dissemination of 'fake news'. Opinions are now presented as certain, incontrovertible, by the loudest and most charismatic mouths

I propose to follow Dewey's notion of truth as 'warranted assertability', with warrants of logic, facts and practical workability. Now, warrants of logic and facts are often ignored, and are replaced by emotion-laden appeals 'Is' is replaced by 'ought'. I allow for emotions, value them, but this killing of rationality spells disaster. Propositions have a past of emergence that needs to be taken into account in judging them.

Science is held to yield the progress of truth, but has a considerably conservative practice. As discussed before, according to Imre Lakatos (1978) science takes the form of 'research programmes', collections of theories that have a shared 'hard core' of basic assumptions and methodological principles, and a surrounding 'protective belt' of subsidiary assumptions. When a theory in the programme is falsified, the core is left unaffected, and adjustments are made in the protective belt. The economist's drive for calculation of an optimum belongs to the core of the discipline of economics. When a theory is falsified, the principle of maximisation is not challenged, but the function to be maximised is tinkered with. I once received the following rejection of a paper submitted to an economic journal: 'this is not optimisation of an objective function, therefore it is not science'.

10. Stability and change

In ancient Greece, Plato and Parmenides considered change to be an illusion, and reality to be stable. An argument against novelty was that it either arises out of what exists, and then is not truly novel, or arises out of nothing, which is impossible. Heraclitus, by contrast, considered everything to be in ongoing flux.

Many things do indeed seem to be stable, but upon closer scrutiny or in a longer time frame one sees change. A stone will ultimately reduce to dust. It is composed of molecules that are composed of whirls of electrons around a nucleus of neutrons and positrons.

Evolution is a counterexample to the claim that change is an illusion. A truly new species arises from a former one by combining existing and mutating genes.

Body and mind have processes by which they serve to maintain 'homeostasis', a balance of properties within boundaries, needed for the maintenance and flourishing of life. Emotions serve to identify violation of those boundaries, and to call forth remedial action (Damasio, 2003). Excessive deviation causes pain, redress gives pleasure. Thirst signals lack of moisture, drinking gives relief. When relief is reached, and homeostasis is re-established, the renewed balance can yield boredom. Deviation and corresponding pain may then be sought to energise life and obtain the pleasure of relief. Perhaps this is the source of the phenomenon of 'thymos', the urge to manifest oneself, seeking diversion, enterprise or adventure.

For another example of stability and change, the theory of 'research programmes', discussed before, implies a degree of stability in that change is considered only in the 'protective belt' of subsidiary assumptions, not in the 'core' of the programme. This obstructs interdisciplinary mixes of programmes, and is akin to the idea that in evolution different species cannot interbreed. That would eliminate the differential survival needed for evolution. If you mix all colours you get only a drab brown.

For science, this might even yield an argument against interdisciplinarity. Another metaphor supporting that is that one cannot look in all directions at the same time. Looking in one direction, one cannot simultaneously look in another. Disciplines serve to look in a certain direction. On the other hand, combining disciplines can yield a fresh insight. Combining is not necessarily mixing. In terms of Lakatosian research programmes, interdisciplinarity does not necessarily imply mixing or dropping cores, but can be the incorporation of different results emerging from those programmes, possibly in a new programme. When an economist shows that a firm can maximise profit by taking over a competitor, and a sociologist sees it as power play to impress shareholders or scare off competitors, both may be right.

There is evolutionary psychology and sociology. The human potential to form ideas arises from adaptation in the evolution of humanity (Tomasello 2016, Moseley 2019). In cognition, the priority was to categorise things as objects moving in time and space, such as a prey in hunting, the location of a lost child, the speed and direction of a preying animal or enemy, the direction and speed of an arrow, the location of a shelter against bad weather. This has been ingrained in mind and culture to such an extent that it is forming and biasing higher level concepts in metaphor to it (Lakoff and Johnson 1980). An example is the treatment of the meaning of a word as an object to which the word refers, like an exhibit in a museum, and information moving through a 'communication channel'. However, meaning is not like an object moving in time and space. A word moving from one sentence to another changes its meaning. It is as if a chair changes its colour or shape, or drops a leg, when moved from one room to another. In communication, meaning is twisted, expanded or reduced.

According to this bias, we talk of being 'in' love as if it were an abode. This is the *container metaphor*, powerful from the experience of finding shelter in a hut or cave. Marbles

are in or out of a pot, but you can be 'in' several moods at the same time. Nationality is not being in the box of a nation: one can have several nationalities at the same time, while one cannot simultaneously be in two boxes. We say we are 'at' war as if it were a place. War used to be localised, but now it can be at the distance of a drone. 'Sales going 'up' is good, and going down is bad, because to be alive and healthy one stands, and when sick or dead one is lying down. The very notion of 'things' as objects is problematic. 'Things' are processes (Nooteboom 2021). Happiness is not like a piece of cake one can acquire, but a process of living. Knowledge is not having something 'in' mind, stored away as if in a chest of drawers, but a neuronal process. The body is not a thing we 'have', but a process we 'are'. Electrons in an atom are not determinate things moving around the nucleus, but clouds of probabilities of location.

Concerning morality, evolutionary psychology proposes that in early tribal societies, it had survival value to collaborate in the hunting of big game and in defence. This entailed the ability to see things from the perspective of the partner. Since it was cumbersome to develop empathy and collaboration each time for a specific endeavour, a general inclination towards empathy and benevolence developed. When after more than 300.000 years of evolution in hunter-gatherer groups, humanity settled down in farming, with possessions of land and resources, and that to some extent eroded this instinct of benevolence or put more weight on self-interest, protecting one's resources. On the other hand, Berry (2017:103) claims that it was adaptive to control alpha dominators, and that this is the root of an impetus to opposition of oppressive leadership. It was still adaptive to care for vulnerable birthlings and partners, and this confirmed an intuition of care of the weak.

These roots of cognition and morality are 'pre-wired', yielding a potential to produce more determinate forms of conduct according to circumstances, like genes, whose 'expression' in concrete forms depends on conditions. Babies have an inborn inclination to both smile and frown at strange faces, but which comes to dominate depends on how the babies are treated. Certain brain areas are geared to disgust and rejection, which is adaptive in the defence against poison, but can develop into rejection of foreigners or 'infidels'.

Nooteboom (2000) offered a 'logic' of development, a 'cycle of discovery' that produces structural change of cognition in some way similar to evolution, in a process of *assimilation* of phenomena into frames of thought, which, if that fails, triggers *accommodation* of that frame, adopted from the work of the developmental psychologist Jean Piaget (Flavell, 1967). It works as follows: Cognition is assimilation, attempts to fit experience into present frames of mind. When that fails, one can shift into an alternative frame if one has one, or adapt the current frame. In accordance with Hegel's principle that one gets to know things in their failure, one can subject an existing frame to novel challenges, in a different 'selection environment', in evolutionary terms. This can mean that a product is introduced into a new market, in line with Hayek's maxim of 'competition as a 'discovery device'. In science, it can mean the application of a theory in a new field, say economics in a field customarily studied by sociology, or vice versa. In the cycle of discovery this is called *generalisation*. This yields an opportunity by failure to fit. If that occurs, the sensible thing to do is to search memory for alternatives that were tried before, but were then discarded, and to try to use that in minor 'twists' of current practice. In the theory, this is called *differentiation*. If that does not solve the misfit, one can look around in the new environment to see how local practices are successful where one's own is not, and adopt elements from it to explore and try out 'novel combinations' of habitual and new, local elements. Initially, that is 'incremental change' that still has to fit in the basic logic or design of the existing practice, to limit the risk and expenditure of change before the novelty has proven itself. In the theory, this is called *reciprocation*. This yields 'hybrids' of old and new that allow for experimentation, trying out the usefulness of novel elements. This hybridisation is a familiar phenomenon in

technological development (Mokyr, 1990). Those hybrids are prone to yield limited lack of fit, inconsistencies, bottlenecks and duplications, which yield inefficiencies and require work-arounds. This gives hints in what directions the basic logic or design might be changed to eliminate the problems of the hybrid. This yields experiments with those new directions until there is a breakthrough in a novel design. This is called *accommodation*. The new design still carries leftovers of the old design, obstructing the realisation of the full potential of the new one. The ironing out of these is called *consolidation*.

An example of the imperfection of the radical novelty lies in the development of the steam engine. An early application was in pumping water out of coal mines. The application in trains required the development of adequate forms and materials, safety measures concerning the power of steam pressure, the addition of brakes, and the engineering of pistons and the transfer of their pumping movement to the turning of wheels. In the application to steam boats one had to deal with the problem of salt in the water heated to steam. Meanwhile, the old technology of sailing ships did not stand still. In paintings of Turner one sees elegant sailing ships next to awkward, lumbering new steam boats.

Another example is that of an artillery team, where one member stepped back more than needed to protect himself against the recoil of the cannon. It turned out that this was a leftover from old horse-drawn artillery where someone had to control the horses at the cannon's boom.

The point here, in the cycle of discovery, is that it exhibits an alternation of stability and change. Stability in generalisation, where there is no change of the practice, but change of context, then differentiation with minor change of content, followed by reciprocation with greater change of introducing new elements, then accommodation with radical, structural or 'architectural' change, and finally consolidation with minor change. This rhymes with the earlier claim that a certain amount of stability is needed to find out where the limits of existing practice lie, and to collect hints of directions for change. This takes time and demands patience, with a vision towards the longer term future.

The logic of the cycle was confirmed in a conversation with a former CEO of Shell Oil company. He told that formerly the extension of production abroad was to compensate for saturation of the home market, for the sake of ongoing growth. A restriction was that existing practice must be maintained, to achieve economies of scale, and the deviations of differentiation and reciprocation were disallowed, until they found out that those were a source of innovation.

As a result, great power of a multi-national enterprise (MNC) to impose existing practice in the host country, with the promise of employment technology transfer and access of local production to the MNC's home market, forces local adjustments to fit the practice, and preserve economies of scale, while companies with lesser power are driven to adjustment to local conditions, yielding more innovation.

An economic argument for stability is not to throw away past investments before the need or opportunity of change is pressing, and to earn ongoing returns from that investment. Also, some stability is needed to recover strength after exertion. Standing still, or taking a step back, is needed for reflection to let things sink in, to let ideas come to fruition. After dinner you have to digest. An uninterrupted flux of change makes for ineffectual neuroticism, jumping about without direction. The French have an expression 'reculer pour mieux sauter', stepping back for a better jump. However, people are often afraid that standing still is falling back, and economically that is often true, in falling back in the race of technology, consumption and acquisition.

Questions

- Do you prefer stability or change

- How would you combine them
- Is change an illusion, or stability
- Why is some stability needed

13. Prisoner's dilemma

The *prisoner's dilemma* is as follows. Two prisoners get a reduced sentence when confessing to their joint crime. If they both persist in denial, there is not enough evidence, and they are both released. For them, that is the best action, but they are each tempted to confess, accuse the other, and get a reduced sentence, fearing that the other might do so. The result is that they both confess, to prevent a one-sided heavy sentence.

A comparable situation may occur in the economy. A classic example is the tobacco industry. Advertising did not increase sales much, and seemed wasteful, but was needed not to lose market share, if the company reduced advertising but competitors did not. The government intervened for health reasons, limiting advertising, and this imposed a profitable solution for the firms.

In banking, regulation should have been imposed in the 2008 financial crisis, but the governments were also in a prisoner's dilemma: if they imposed controls, and other countries did not, this might lure banks to move elsewhere. So, the EU tried to impose restrictions that were common at least in Europe.

Such situations of collaboration versus defection have been investigated by game theory, which is not a theory but a tool for analysing strategic action, anticipating actions of others. There can be several players of the game. An example is bubbles on the stock market, where people assume that others will keep on buying the share, raising its value.

The situation of a game changes when it is repeated. Then one may try to build a reputation of honouring agreements, and keep to them. Game theory yielded the strategy of *tit-for-tat*, where you collaborate as long as the other does, and retaliate when he/she defects. However, then you run the serious risk of getting locked in in mutual defection. An improvement is *forgiving tit-for-tat*, where in case of defection you try out collaboration again, to see if the counterpart may be so wise as to follow. Trust can yield mutually beneficial outcomes, by discounting the risk of defection.

Another example is that of the game of *hawk and dove*. Hawks prey on doves, but if that is so successful that doves become extinct, that is not in the interest of the hawks, and it is beneficial to both if doves learn to hide or escape better.

Another famous game is where A has to decide how much money he/she gives to B, and B has to decide how much to give in return. Often, people are inclined to the fair solution that B returns half and they both have 50%. It has been used in many experiments, to find out how much it matters when an outside gamekeeper gives both players a bonus when they share more or less, the effect of building a favourable reputation by giving a fair return in a repeated game, and what then happens at the last play, and the difference if they have contact and could deliberate.

There are many useful applications of game theory, but it has its limits. It assumes that the options for strategic choice and the outcomes of combinations of choice are known, but this is often not the case. There, one discovers the options for choice and the value of outcomes only after the action. Here, trust comes in again: are you willing to accept that uncertainty, on the basis of an assessment of someone's trustworthiness or a leap of faith?

There are models of search in the form of travelling across a hilly landscape in the mist, in search the highest summit. There, the situation may be that treading on the land causes earthquakes, shifting the hills.

Questions

- As a prisoner would you confess, getting a reduced sentence, or would you deny, risking a high sentence, why, and what would change your choice
- Have you ever experienced a prisoner's dilemma
- When or why would you not use game theory
- How was the weapons race stopped

14. Universal and particular

A perennial quandary in philosophy is the choice and relation between the universal and the particular, and this comes up in various ways in the dilemmas discussed. Universal ideas or rules are fixed and apply everywhere, in contrast with the particular, chaotic, variable and changing phenomena we experience in the world. According to the ancient Greek philosopher Plato universal ideas exist in an ideal world that constitutes what is really real. Many philosophers have been attracted by the pristine clarity, simplicity and certainty of universals, shedding all the confusing variety and variability of experience. Proponents of universals argue that without universals we could not learn from experience, with generalisation from one particular to a similar one, in scientific laws, and there would not be language, with general concepts of things, such as the concept of a cat that covers all cats.

In particular, we need universals, or something at least general, regarding laws, regulations and morality that do not allow for unspecified exceptions. Under equal circumstances the same rule should apply, regardless of the consequences, otherwise we open up to arbitrariness, inside dealing and corruption. If morals are relative, specific to a person or to the conditions and history of a nation or community, the arena is wide-open to injustice and suppression, and international law becomes a matter of power. This is inevitable. Conflicts are settled by whoever is in the Security Council of the United Nations.

If there are no universal natural laws, how can we rely on science and technology, in building and using artifacts? Will you dare cross a bridge? In *deontological* ethics, Kant's *categorical imperative* is universal: engage only in actions that you would like to raise to a universal principle. The paradigmatic case is the ancient *Golden Rule*: do (not) do unto others what you would (not) want to be done to you.

On the other hand, an opponent of universalism will claim that it has been shown to lead to imperialism, suppression, discrimination and exclusion of those who deviate. In any case, the universal is a prejudice and an illusion. No one can be certain of some idea or ideal, and universality deteriorates into a suppressive ideology. Ideas and ideals arise, develop and change in time. Ideas and presumed laws have changed, even in natural science, and physics is now in turmoil, with rival views.

We have a rule against driving through a red traffic light, but in Amsterdam, where I live, bicycles, motors and scooters drive through red lights in throngs. I might do so myself at night, with no other traffic, or if I am driving a dying person to hospital. I may go against rules out of conviction or necessity, although I then have to accept the fine. Some people go against the rules instituted to control Covid-19, and some even call it state terrorism.

In contrast with his former teacher Plato, the ancient Greek philosopher Aristotle claimed that only the particulars really exist. He did not deny that there are universals, but those have

no existence in a separate world. There is no world of pure ideas. Aristotle proposed that moral judgement requires *phronesis*, taking into account circumstances in making a moral judgement. I cannot be expected to save a drowning person if I cannot swim, or if I am hand-in-hand with a small child on a slippery slope. There are lies of goodwill, to avoid hurting someone. But where does this relativity derail in feeble excuse? Poverty may be an excuse for theft, but mere desire is not. There are lies of goodwill and lies of blatant self-interest.

The currently dominant idea in morality is that of *utilitarianism*, which is a form of *consequentialism*, looking only at outcomes, not motives. By contrast, duty ethics, deontology, looks at motives, regardless of outcomes. According to the ancient *golden rule* one should (not) do to others what one does (not) want done to oneself. But people differ in what they would or would not like to be done to them. I am not a soccer fan, and would not appreciate a ticket to some match, but others would. Nevertheless, under same circumstances the rule should apply. The problem is that circumstances are never exactly the same, and it requires Aristotelian *phronesis* to judge to what extent they are. It is better to speak not of rules but of principles. Taoist philosophy is against universal rules (*wu-wei*) and in favour of recognising differences between individuals. Tapping from the Taoist philosophy of the Zhuangzi (2007), Yong (2005) proposed to replace the Golden Rule with the 'Copper Rule' of 'Do unto others as they would have us do unto them'. I would hit only masochists.

My position is that we do need general rules and linguistic and scientific generalities, but those are not strictly universal, yield exceptions, and are provisional, subject to change of our ideas. We once thought that parallel lines do not intersect, but later we found that on a globe they do, like lines of longitude on the world globe. We abhor slavery but once it was part of normal business. The bible does not contest but condones it.

Concerning issues of good and bad, I adopt neither deontology nor utilitarianism, but Aristotelian *virtue ethics*, with the *cardinal virtues*, i.e. virtues around which things turn, of prudence, i.e. rational deliberation, courage, moderation and justice. In its attention to justice virtue ethics is consequentialist, in its orientation to moderation it is more deontological. The virtues are not only instrumental in achieving goals, but also have intrinsic value, as part of the good life, *eudaimonia*, in being the person one wants to be.

People live in particularity. Abstractions are manifested in the particular, and particulars are the soil from which abstractions blossom. This was discussed before in the notion the *hermeneutic circle* from linguistics, which is a circular to-and-fro between a *paradigmatic axis* and a *syntagmatic axis*. The paradigmatic axis is composed of the generalised concepts, of a cat, for example, and the *syntagmatic axis* of particular uses of the concept in specific contexts, in sentences, this particular cat on the mat. The general concept may be seen as having a variety of possible particular meanings, in specific things it may refer to. However, I associate the notion 'cat' with my particular tabby, with blue-gray stripes. Particular things may be odd, exceptional in some way, but remain seen to belong to the concept, and may in their peculiarity shift the concept, in being included in the general notion, or may constitute a new notion. I have used the example of a picture I once saw of someone sitting in a dent in a stuffed cow, with the caption 'see him sitting in his cow'. This may lead to a new industry of manufacturing cow chairs, of different colours of hide (Nooteboom, 2021).

A point here and in other dilemmas is that the change of meaning and knowledge never ends. The world is never fully known. Perfection is never achieved. My motto is *imperfection on the move*. One need not accept what we have, and there is always room for improvement, but that will not achieve perfection either. I find this also in Taoism.

What is the relation between particular and universal or general? The universalist will see the universal as the essence of a type of thing, and the particular as a reflection, shadow, or exemplification plus inessential details. A particularist will see the general as a generalisation

or abstraction of particulars, shedding detailed features, and their history, neglecting what remains hidden in the particular. The idea that a particular has hidden features, is partly 'withdrawn' goes back to the philosopher Martin Heidegger (Harman, 2002). Things have a potential that may not yet be manifested, and are thus not completely shown, and that potential may change.

In linguistics, in a treatment of what meaning is, a distinction was made (by Frege, see Thiel, 1965) between *reference*, what an expression is intended to refer to, as the notion of 'cat' refers to the collection of all cats, and *sense* as 'the way in which something presents itself'. The classic example of sense is the planet Venus that shows itself at daybreak, and then is called the 'morning star', as well as in the evening, and then is called the 'evening star'. I turn the idea of sense around a bit, and see it as the way in which we identify something as being of a certain kind, such as the cat's pointed ears, fur, tail and soft paws with sharp claws. Reference is not ontological but intentional. We never know whether or to what extent an expression refers to reality, but pragmatically we do intend to refer. Life would be impractical without it. What a term is meant to refer to is part of public language, universally shared, with which we mostly agree, and sense is made up of personal associations by which we identify the particular as belonging to the general concept. Sense is personal meaning, connected with particular experiences along the path of one's life. Reference is stable, shared and public, sense is variable and personal. As mentioned before, the French linguist Ferdinand de Saussure called the first '*langue*' and the second '*parole*' (Saussure, 1979). In his 'Other than being', Emmanuel Levinas (1991) distinguished between the process of saying ('*le dire*'), comparable to parole, and its arrest, freezing, in the said ('*le dit*'). In linguistics, an idea of how shared, public language is related to personal, particular parole, is given in the notion of the hermeneutic circle, mentioned before, with general, public meanings or langue along the *paradigmatic* axis, and particular, situation-specific meanings or parole along the *syntagmatic* axis. A general concept, taken from the hermeneutic axis is inserted in a sentence, the *syntagmatic* axis, in a specific action context, and becomes a particular. Langue becomes parole. A cloud condenses into rain. In that sentence the concept can adopt new associations, which when adopted by others turns into an expansion or shift of the general meaning, and is adopted in the public meaning along the vertical axis. Together, these movements between the vertical and horizontal axes constitute a circle. This is a model of how one can go from order (langue) to disorder (parole) and back again, in an ongoing development. General concepts also change in the long run. Order regulates disorder, but is shifted in its practice.

Closely related to the dilemma of universal and particular is the dilemma of theory and practice. 'There is nothing more practical than a good theory', a scientist says. Theory serves to learn from experience, identifying regularities across phenomena of a certain kind, with which one aims to predict, and to which one attributes causes, to infer appropriate actions. However, this can go too far, in abstraction getting removed from the issues at hand, dropping significant details, historical provenance and ignoring alternative perspectives. Theory is a view in a certain direction, since one cannot look in different directions at the same time, but practice, as in policy making, cannot afford that, must attend to particularities, and has to be open to different perspectives. Sociology looks differently at society than an economist. A mono-disciplinary theory may lead practice astray, as much economics has done, in market ideology, neglecting social issues.

The adequacy of a causal theory to a practice depends on how one treats causality. Concerning causality, for social science and economics, I adopt an *Aristotelian multiple causality* of action. The *efficient* cause is the agent, individual or collective, such as an organisation. The *final* cause is the goal or purpose of the agent. Aristotle made the mistake of

applying the final cause also to nature, as if falling objects home in on the centre of the earth, but in social sciences it fits. The *material* cause is the 'stuff' the agent uses, such as the wood of a carpenter. The *formal* cause is the method, knowledge, skill or technology that the agent uses. The *conditional* cause affects the other causes, enabling or blocking them, such as institutions and markets. The *exemplary* cause is the example or model followed.

The exemplary cause can be a design or a role model. A painting of a phenomenon takes that phenomenon as its exemplary cause. One can take the conduct of someone as a role model. The interesting thing about such an exemplary cause is that it allows for variety of interpretation, in the choice of matter or form. It gives more room for improvisation and personal interpretation than a direct order, blueprint or rule.

A telling example is that of narrative. In fighting the Covid pandemic, one can impose rules based on statistics and the arguments of medics, epidemiologists and hospital management, but one can also, perhaps more effectively, narrate a poignant case of a strong, young person who disregarded the rules and succumbed. One can issue a rule, but it will not work until people incorporate it in their purpose.

Another example is that of a charismatic leader setting an example. Here also lies the force of ritual. Many people say they cannot join a religious ritual if they do not have the faith. The philosopher Blaise Pascal said that you get the faith by performing the ritual. Rational arguments for divinity are notoriously void, and enacting a religion in ritual is more enticing.

Role models can be constructive but also destructive, as was discussed in the section on democracy and authoritarianism. It can tempt people away from rationality and reality, and lure people into destructive or undemocratic ideologies, as has been demonstrated by president Trump.

Aristotelian multiple causality of action is part of a more general notion of multiple causality, called 'causal flock' by MacCumber (2007: 71-72). Objects and phenomena generally have multiple, partly sequential, partly simultaneous causes. For an example, take the lamp giving light on your desk. It is produced by a filament inside the bulb that is heated to give light from electricity, but the bulb rests screwed in its socket carried by a ceramic vase made by an artist, with a lamp shade causing the distribution of light, after a light switch was thrown by someone, the electricity being fed in along wiring, produced by a generating station, with labour and management. There is no clear, singular causal chain. Which causes you pick out depends on the context, such as 'turning on the light' or 'paying the electricity bill', or 'buying a bulb'. Here, I adopt the multiple causality of action because action is what I am interested in.

Questions

- Can you name a true universal, admitting of no exceptions
- Can you give another example of the dilemma of theory and practice
- Do you adhere to utilitarianism, deontology, or virtue ethics, all of them a bit, or none of them
- In the above account of causality, do you miss a cause, which
- Have you witnessed positive role models; and negative ones

Conclusions

In one's life and in society there are many dilemmas. For each of them one can choose one side, take a middle position, or combine both sides, simultaneously, in a synthesis, or successively. Where one stands is a personal choice. My choices are as follows. In the dilemma of the universal and the particular, I lean to the latter, variety, but I recognise the

need, not of strict universality, but of generality, and I see the dynamic interaction between specificity and generality, in science, morality and language. Concrete, specific practice feeds general theory. Relatedly, in the dilemma of unity and diversity, I lean towards diversity, but I see the need for shared morality, regulation and meanings. Because of the multiplicity, contradictions and incompleteness of rules and institutions, and ambivalent or multiple meanings, there is some room for authenticity. Concerning power and freedom, I opt for freedom, but I see the inevitability and positive potential of power. Lack of regulation can confirm power. Concerning self and other, following Buber, I opt for their betweenness, their interaction and dialogue, resonance. In the dilemma of meritocracy and equality of opportunity, I do not opt for merit that is realised through unlimited market processes and is distorted in its measurement, but for more equal opportunities to realise potential, with the development or provision of access and the formation of capabilities. However, inequality is not due only to heritage and discrimination but also to luck in geography, climate, culture and exigencies of excellence, requiring a combination of properties that is rare. In the dilemma of progressiveness and conservatism, I lean towards progressiveness in the economy and politics, but with some cultural conservatism, though not nationalist populism. Concerning rationality and emotion, I think they are complementary, with the need for emotion-driven inclinations of virtue. In the dilemma between certainty and uncertainty, I clearly go for the inevitability and challenge of uncertainty. In the dilemma of theory and practice, I cherish theory but respect practice, and aim for different perspectives, in interdisciplinarity. Concerning stability and change, and relatedly between excitement and serenity, I strive for their alternation. Concerning competition and collaboration, I strive for collaboration. Concerning the prisoners' dilemma and game theory, I value their use up to their limitations due to irrationalities, ignorance and uncertainty concerning available strategies, and uncertain outcomes of strategy combinations.

The choices one makes form a personal profile, related perhaps to the 'Big Five' personality traits. I would expect extraverts to acknowledge and accept, even appreciate, uncertainty, go for variety, demand particularity and negative freedom of action, engage in change, excitement, disorder, negative as well as positive power, emotion, and competition. They might be both conservative or progressive. I expect neurotics to avoid uncertainty, appreciate stability, collaboration, exercise emotion, tolerate negative power and authoritarianism, be conservative, appreciate and seek serenity and order. Conscientiousness would, I expect, tend towards certainty, stability, rationality, power, unity, order, serenity, democracy and collaboration. I would expect agreeableness to relate to collaboration, progressiveness, stability, unity, emotion, positive power and democracy. Openness would relate to rationality, change, uncertainty, excitement, progressiveness, democracy, variety. My preference for diversity, uncertainty and dynamics of ideas and rules is akin to Taoism. I am not certain about these attributions, and some are more doubtful than others, I would like research on it, and hope this book will stimulate that.

Questions

- What is your personal profile, in terms of the 'Big Five' and your position concerning the different dilemmas
- Is there another dilemma you can think of

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