

Zoom Conference
Towards a New Paradigm in Economics

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New Institutional Ideas Are Needed

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The appeals by Pope Francis to safeguard the future of our planet by furthering peace between and within countries, and to maintain the natural environment are most important. They should serve as a guideline to future economics.

Our 3 key ideas have one common background: Appeals and admonitions, while necessary, are not sufficient. What is needed are *institutional conditions* that give people the *possibility* and the *incentives* to develop innovative and unorthodox ideas, and to act in the directions desired.

We suggest three institutions. All three are based on ideas and rules that are, or were, used in the Catholic Church.

1. Advocatus Diaboli.

This institution serves to bring aspects into discussion and decision processes which otherwise are neglected, discouraged or actively undermined. The Advocatus Diaboli has the explicit task to bring up such issues.

The institution of an Advocatus Diaboli can be applied to many different commissions. It is particularly fruitful when the commission members are quite homogenous, while divergent views are very important. Today, this particularly happens with aspects not in line with “political correctness”. This is the case when a commission tends to be dominated by a common view, ideology or moral commitments. An example would be a commission on environmental policy in which a large majority of the members is convinced that electronic cars provide a crucial solution to global warming. Persons not being as convinced, e.g. because they take into account all the resources going into e-cars including the production of electricity which may damage the environment, may be reluctant to openly discuss these concerns because they fear being attacked not to support an improvement of the natural environment.

The Catholic Church has used the Advocatus Diaboli for centuries in the process to establish saints. The members of the commissions for obvious reasons are

reluctant to say anything negative about a prospective saint; after all they have been chosen to create a new saint. To have a person (or several persons) specifically charged to bring to the fore possible negative points in a persons life helps to prevent mistakes. Unfortunately, Pope John Paul II discontinued the use of an *Advocatus Diaboli* in the sanctification process which, in our view, is a mistake.

2. Focussed Aleatoric Choice

This method to take decisions proceeds in two distinct steps:

Step 1: A set of persons or objects meeting a required standard is determined according to the criteria established;

Step 2: A person or object from this set is chosen randomly.

Focussed Aleatoric Choice has major advantages over the orthodox approach which seeks to determine the “best” person or object. In many cases, the decision to choose the “best” is subject to non-relevant interventions, and often is based on homophily, personal connections, or prejudices. In contrast, focussed aleatoric choice disregards such aspects, and most importantly opens the possibility of outside views and persons to enrich the pool of innovative ideas and candidates.

Focussed aleatoric choice can be applied in many different circumstances. For example, it can be used to determine who is chosen for a position. In a first step a pool of candidates is selected according to conventional criteria. In a second step the final candidate is randomly selected from the pre-chosen pool. This procedure was applied at the University of Basel in the 18th century to fill vacant professorial chairs. A weaker form is to select a commission randomly out of a preselected pool of suitable candidates and the commission then elects the final candidate for the position in the conventional way. This procedure was applied (in a sophisticated 10-step variation) in medieval Venice. Up to today, the Coptic Pope is chosen by lot out of a pre-selection of three candidates. Today focussed aleatoric choice is applied for grant allocations and has been proposed for publishing academic papers and management positions.

Random decisions have been used in ancient Israel according to the account given in the Bible (Samuel 10, 17-24, 27). In early European Christianity some bishops were chosen by lot out of a pre-determined set of persons considered to be capable for the task. This was done in particular to prevent corruption and other undesired interventions. However, Pope Honorius III prohibited this procedure in 1252.

3. Problem-Oriented Entities: Functional Overlapping Competing Jurisdictions (FOCJ)

Today, problems are addressed within historically given geographical borders. In many states, it is the central government; in more federal constitutions part of

the decision power rests with lower units such as provinces, regions, or municipalities. However, the extension of an issue rarely fits the historically given size of a unit. In many cases, the units are too large or too small, and the problems concern several entities in total or partly. Functional Overlapping Competing Jurisdictions (FOCJ) create the political units such that they match the problems to be dealt with. As the extension of problems diverges, there are many overlapping political units devoted to solve a particular problem.

FOCJ are in line with Catholic social teaching where much emphasis is given to subsidiarity. This rule calls for public decisions to be taken at the lowest possible level. FOCJ meet exactly this goal. FOCJ also conform to the organization of Catholic orders. From their very beginning, orders such as the Benedictines or Jesuits were not organized according to national units. Their provinces often extend beyond them, or cover only part of them. They are non-nationalistic which is one of their great strengths.

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