

Rencontres Économiques d'Aix-en-Provence 2019

Session 11 – Social Dialogue Against Individualism?

- The very concept of a social dialogue is a collectivist myth. Collectivism attempts to replicate institutions that have proven successful on the level of small groups (tribal societies) for solving coordination problems in complex, anonymous societies. Along this line of thinking, the numerous individuals of today's societies are gathered in a few classes among which the institutions known from small groups are then expected to be applicable. However, by so doing the collectivist approach does not solve the problem of social complexity, but simply defines it away. Social classes are a philosophical concept only, they have no equivalent in reality. Classes do not act, only individuals do. Thus, coordination mechanisms that work for individuals (e.g., dialogue, solidarity) cannot be scaled up to the level of anonymous masses.
- The most powerful social communication and coordination mechanism is the price system of the free market. Market prices allow for processing and interconnecting dispersed local knowledge (including individual preferences) that cannot be aggregated otherwise in any reasonable way. Markets enable individuals to cooperate with other individuals around the globe without even having to know each other. It is basically the more efficient use of knowledge why the market system meets the needs of complex, anonymous societies far better than any other known social coordination mechanism.
- The failures of collectivist approaches in terms of social coordination are not a matter of so far insufficient information technology. Centrally planned economies did not collapse due to a lack of computing power, but because the central agency is unable to collect the relevant data in the first place. Therefore, there seems to be little hope for overcoming the limits of a collectivist dialogue by new information technologies such as social media. Millions of people just cannot communicate with each other on a bilateral basis.
- Collectivist mechanisms of social coordination reduce the individual to a simple array of group characteristics (sex, nationality, religion, age, etc.). What is lost is the individual's personality which is the ultimate source of human dignity. Any form of social organization that builds on quotas along class memberships risks to erode the key pillar of free societies. Also, the classification of people along collectivist categories strengthens rather than reduces conflicts as the concept of social classes creates insiders and outsiders. In combination with the concept of "class interests" this creates artificial conflicts among individuals while the decentralized market approach offers them opportunities for mutually beneficial cooperation.
- The most important contribution to stabilizing today's societies is a reduction of interventionism on behalf of alleged social classes. This interventionism results in permanent redistribution struggles and opens the door for rent seeking activities rather than creating incentives for productive cooperation. Instead of playing zero-sum-games the democratic process should focus on establishing abstract rules that are fundamental to the common weal. This requires less top-down constructivism and more bottom-up gradualism for stable institutions to evolve.