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Questions for La Ferrara and Bowles & Choi

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The Francqui Prize conference aimed at investigating whether there is a tension between cultural diversity and economic solidarity. The papers by La Ferrara and Bowles & Choi provide a contribution to answering this question, by focussing on the empirical evidence that one needs to be aware of when investigating this possible tension. All normative theories of inequality or justice always have (whether implicitly or explicitly) an underlying sociology, and underlying assumptions on human nature. La Ferrara and Bowles & Choi offer us some insights into these empirical observations on human nature and social interactions.

The claim on human nature in the paper by Bowles & Choi is well summarised in their conclusion: “loving one’s neighbour may seem vastly different from loving a stranger”. The authors argue that both altruism and parochialism are widespread and pervasive features of human behaviour that co-exist. They offer an evolutionary model that provides support for the idea that altruism and parochialism (or: love and hate) have co-evolved, that is, both provided an environment favouring the evolutionary success of the other.

Obviously, not everyone will find such an evolutionary model attractive, as some would regard it as rather speculative and of limited use to think about present-day societies. But irrespective of whether one does find it attractive, there is also other empirical evidence that supports the empirical claim that people have different attitudes with respect to altruism and redistribution when it concerns their kin/neighbours, versus strangers.

Suppose now we accept this empirical claim, and in addition we endorse the normative arguments in many contemporary theories of justice, which advocate a reduction of inequality at both the national and the global level. First, what are the consequences for the level and forms (e.g. charity vs. governmental aid) of global redistribution? Second, what are the consequences for national social policy

and the possibilities and limits of social engineering, such as creating mixed neighbourhoods and schools? This links up with the paper presented by Keith Banting and Will Kymlicka. Would the empirical claim (supported by the evolutionary model) lead to the suggestion that in order to generate more support for redistribution, people need to become more of a neighbour and less of a stranger? If that were the case, would we need some multi-cultural policies that specifically aim at reducing parochialism, in order to reach a more egalitarian society?

La Ferrara's paper neatly summarises the economic literature on the effects of heterogeneity on individuals' contributions to public goods (and the supply and quality of public goods), and on the formation of communities. The empirical work that La Ferrara surveys shows that "more unequal and more racially fragmented communities end up providing fewer public goods to their members (or goods of lower quality)". Again, this is an empirical claim that normative theories of inequality and distributive justice might be wise to take on board in their theory building. However, some questions might need further explanation.

First, how big are the effects of heterogeneity on the contributions to public goods? In other words, what is the economic or social significance of the results, in contrast to the statistical significance?

Second, the empirical studies in La Ferrara's survey are either on poor countries (often rural areas in Africa or the Indian subcontinent) or on the impact of racial diversity in the USA. One could ask to what extent the conclusion would also hold for affluent communities that do not have the same history of slavery and deep racial discrimination and segregation as the USA.

Finally, one could ask to what extent results from one type of heterogeneity can be extrapolated (at a theoretical level) to other types. The underlying explanations of racial, caste, class or ethnic inequalities might be vastly different. Is it enough for these types of diversity to correlate highly in order for them to be modelled in a similar way, or should different models be used for different types of diversity? While this may perhaps not be very important when *measuring* the impact of diversity on economic solidarity, it may perhaps be crucial when we move to policy design.