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### **As if economics mattered – market failure, positive externalities, HEI and the contributions from philosophy of education**

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Institutional economics serves the purpose of escaping the reductionist approaches of mainstream marginalist economics, which exclusively addresses quantitative and cause-effect economic issues. The need for thought-provoking and ground-breaking insights may be answered through the contributions from philosophy of education, which rethinks science, society and learning, taking into account both the historical and geographical contexts of contemporary societies. Lipovetsky's concept of hypermodernity helps to situate the interpretation of present day reality in relation to the allocation of public goods, the potentiation of positive externalities and the regulation of markets. The argument is that such powerful and yet conventional economic concepts need to be placed in context and tackled as rich and complex phenomena, ready to be explored in novel and innovative ways. Such novelty is possible and indeed it already emerges when political, social, cultural and historical perspectives are brought together and effectively contribute to a radical interpretation of economic reality, one that goes beyond linear analysis. Following this line of argumentation, the role of Higher Education Institutions (HEI) is paramount. On one hand, such institutions have been the historical continuation of five hundred years of Modernity, witnessing and being both the product and the reproduction mechanism behind the social and political *modus operandi* and *status quo*, and, on the other hand, these same institutions, in their diversity, have also been the engine of change and the hosts of counter-movements, sub-cultures and non-dominant thinking revolutions throughout every historical period, including post-modernism. This paradoxical tension may bring potential creativity when it is possible to identify meaning-making opportunities for reframing present day economic reality. The purpose of the present paper is to focus on the following links: first, the corpus of institutional economics and its shift in perspective regarding conventional economic analysis, namely through post-crash economics; second, the reality addressed by the economic concepts of market failure and of externalities, and the specific case of the institutional framework of HEI; and finally, how the contributions from the body of knowledge of philosophy of education, and its diverse schools of thought, can place the study of political economy in an effective and innovative perspective and line of interpretation.